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The situation of democracy and human rights in Haiti

United Nations International Civilian Support Mission in Haiti

Report of the Secretary-General

I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 54/193 of 17 December 1999, in which the General Assembly established the International Civilian Support Mission in Haiti (MICAH) in order to consolidate the results achieved by the Organization of American States (OAS)/United Nations International Civilian Mission in Haiti (MICIVIH), the United Nations Civilian Police Mission in Haiti (MIPONUH) and previous United Nations missions. In paragraph 12 of the same resolution, the General Assembly requested me to submit a report to the General Assembly every four months. The present report covers developments in the mission area since the submission of my previous report to the Assembly, on 17 July 2000 (A/55/154).

II. Political situation and elections

2. Since mid-July, Haiti's political and electoral crisis has deepened, polarizing its political class and civil society, jeopardizing its international relations, sapping an already declining economy and adding to the hardship of the impoverished majority.

3. Disregarding all calls for rectification of the method of calculation of the Senate results and certain other irregularities in the 21 May legislative and municipal elections, and with the opposition maintaining its boycott, the authorities completed the drawn-out electoral process, promulgated the final results and seated a new Parliament. The ruling Fanmi Lavalas party of former President Aristide took 18 of the 19 contested Senate seats and 72 of the 83 seats in the Chamber of Deputies. Without consulting the opposition, President Préval named three new members to the Provisional Electoral Council (CEP) to replace its President, who had fled the country in June, and two opposition representatives who had previously resigned. He then empowered the contested CEP to organize elections for president and the remaining one third of the Senate seats on 26 November.

4. Most of the opposition, grouped in a tactical alliance, first known as the Groupe de convergence and currently as the Democratic Convergence, adhered throughout most of this period to the position that the 21 May elections were so fraudulent that they should be annulled and held again under a new CEP, but only after President Préval had stood down and been replaced by a provisional government. In the meantime, the opposition ruled out any participation in the November elections. This position was promoted through the media and in a series of rallies in provincial towns, of which the largest drew a crowd of

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5,000. The campaign failed in every way to deter the Government and Fanmi Lavalas.

5. While not backing the opposition call for the complete annulment of the elections, civil society organizations — private sector groups, churches, labour unions, intellectuals — all urged the authorities to address the serious electoral irregularities in order to avoid exacerbating the political crisis and jeopardizing much-needed international assistance. Groups of intellectuals, including some who had once supported former President Aristide's Lavalas movement, issued a series of petitions voicing concern about the perceived totalitarian tendencies of Fanmi Lavalas and the possible emergence of a one-party state. For the most part, Fanmi Lavalas dismissed these civil society organizations as representing only the elite of Haitian society and as being disconnected from the overwhelming majority of the people.

6. The international community always held that the errors of the 21 May elections could be rectified, although its appeals to this end at every stage in the process had no effect. Its chief concern was the flawed method of calculating the Senate results, in which all of the front-runners won outright in the first round, regardless of whether they had the absolute majority required by the electoral law or just a plurality. According to the OAS Electoral Observation Mission, there should have been run-offs for 10 of the 19 Senate seats. Concern was also voiced about the significant, unexplained differences between the final figures of CEP and those previously posted by the regional electoral offices, and the failure of CEP to deal with the complaints filed by candidates challenging voting procedures and results.

7. After the mission led by OAS Secretary-General César Gaviria in mid-August and several visits by envoys of the Caribbean Community (CARICOM) and the United States of America had failed to stop the seating of the new Parliament on 28 August, Haiti's main bilateral donors announced the end of "business as usual". They would not finance the November elections or any electoral observer missions, they would not recognize the new Parliament, and they would henceforth provide little or no assistance to the Government of Haiti, channelling it all through non-governmental organizations. The United States Administration also stated that it would consider opposing Haitian loan requests from international financial institutions. All this was to stay in effect until an independent and credible CEP was established; there was some accommodation on the 21 May elections, especially the contested Senate seats; and a dialogue was started with the opposition on ways to strengthen Haitian democracy. Meanwhile, the European Union, which had already suspended some projects in July, took steps to invoke a provision of the Lomé Convention which could lead to the suspension of its assistance.

8. At a ministerial-level meeting held in New York on 13 September, the Group of Friends of the Secretary-General for Haiti (Argentina, Canada, Chile, France, the United States of America and Venezuela) voiced profound disappointment and deep concern at the failure of the Haitian authorities to rectify the flaws of the 21 May elections. At the Government's invitation, OAS Assistant Secretary-General Luigi Einaudi led a new mission to Haiti one week later, with the aim of facilitating a dialogue between Fanmi Lavalas and the opposition. President Préval pledged to implement any accord resulting from the dialogue, provided it "did not violate the Constitution" or delay the handover to a new President on 7 February 2001. Fanmi Lavalas was ready to take part in the dialogue although it reiterated that it was not prepared to consider any revision of the 21 May election results. The Democratic Convergence, for its part, published a set of conditions for its participation in the dialogue which included the suspension of the activities of all parliamentarians, mayors and local officials elected in May, the cessation of the activities of CEP and its replacement, and an end to all repression and acts of intimidation against the opposition.

9. In the event, no face-to-face dialogue took place, and Mr. Einaudi instead spent a week of shuttle diplomacy between the two sides. OAS made a third attempt at mediation, from 13 to 21 October, and was successful in convening direct talks witnessed by some representatives of the international community. While there was an exchange of position papers and some progress made, the talks ultimately failed to produce an agreement that could serve as a foundation for proceeding with presidential and senatorial elections that would include candidates from across the political spectrum. Based on his bilateral consultations, Mr. Einaudi prepared a six-point document that contained elements for a national accord, covering public security in the electoral context, issues outstanding from the 21 May 2000 elections, the

elections planned for 26 November 2000, restructuring of the electoral council, strengthening democracy, and the role of the international community. For his part, Mr. Aristide, citing security concerns, agreed to meet with the Democratic Convergence only if its leaders came to his home.

10. On 23 October, Mr. Einaudi reported to the Permanent Council of OAS that appreciable progress had been made towards breaking the logjam but that very substantial differences persisted, primarily concerning the contentious 21 May elections. On that occasion, CARICOM indicated its intention to field observers for the presidential elections.

11. Late in September, the Department of Political Affairs dispatched an electoral expert to consider United Nations electoral assistance in the light of the current political stand-off. The expert consulted with the international community, including donors, the Government and opposition, and sought to assess the technical capacity of CEP to stage free and fair elections. The mission coincided with a round of OAS mediation, providing an opportunity for consultation with representatives of OAS which has been extensively involved in the Haitian elections. After meeting with a wide range of actors, the expert found that, assuming the necessary political will, the Council's preparedness was adequate. The United Nations, meanwhile, decided that, in the present circumstances, it was not in a position to continue its technical assistance to CEP in its preparations for the November elections. As a result, the United Nations technical assistance team — deployed under the auspices of the United Nations Development Programme (UNDP) — left the country on 15 October.

12. The deepening political crisis and the continued suspension of much financial assistance by international financial institutions precipitated a fall in the Haitian gourde, from 18 to the United States dollar in May to around 25 at present. This has provoked a surge in the price of basic commodities in a country in which the majority lives in great poverty. An additional spur to inflation came from a 44 per cent hike in the price of fuel, which the Government was obliged to introduce on 2 September because of the increase in world oil prices. This has already prompted a one-day general strike backed by the opposition and a three-day closure of petrol stations, and is expected to lead to further protests. The constraints on Government spending — exacerbated by the need to finance the November elections from its own resources — have given rise to unrest in the public sector. In the meantime, the expectations of the so-called popular organizations that they would be rewarded with jobs for supporting Fanmi Lavalas (by means of the violent street demonstrations held during the electoral period) have emerged as an additional source of pressure on the Government and Fanmi Lavalas.

13. Since July, there has been an increase in violent crime that may be linked to the worsening political and social situation. The victims of fatal shootings include a MICAH staff member who was shot while behind the wheel of a clearly marked United Nations vehicle near the head office of MICAH on 7 August. Another MICAH international staff member in a marked United Nations vehicle was the target of an attempted car hijacking by two gunmen near a well-known hotel in September. There have been worrying allegations of police involvement in robbery, extortion and abduction, as well as drug trafficking, together with reports of anarchic tax collection by newly elected local officials, and the involvement of popular organizations in protection rackets.

14. Political pressures on the Haitian National Police (HNP), together with such incidents as the attempted lynching of a police commissioner during a pro-Aristide demonstration on 2 October, have contributed to the demoralization of HNP and eroded its operational capacity and credibility. Reports that its effective strength has fallen to alarmingly low levels have fuelled fears of a breakdown in public order.

15. These fears were exacerbated on 18 October when the Government alleged that several ranking local police chiefs (commissaires) were plotting to seize state power. As a result, two agents were arrested, seven fled the country and have applied for political asylum in the Dominican Republic, and two others have sought the protection of the Dominican embassy in Port-au-Prince. Some of those implicated have stated publicly that the coup plot was fabricated by Fanmi Lavalas members who wish to assume control of HNP. They mentioned specifically Senator Danny Toussaint, President of the Senate's Permanent Commission for Justice and Public Security, who issued a report on 12 September alleging the presence of criminals within HNP and proposing that it be purged. They also claim that Fanmi Lavalas interfered inappropriately in security matters related to the May election and was involved in illegal acts.

16. A degree of hostility towards the international community was sustained by talk in the media of international sanctions, and statements by the President and Prime Minister in July. They called upon Haitians to tighten their belts, likening the situation to 1804 when Haiti won its independence on the battlefield. Intermittent street demonstrations, for the most part non-violent, continued outside embassies and offices of the United Nations and OAS, albeit with less frequency than in June and early July. On 27 July, a grenade was thrown at the Canadian Ambassador's residence and, on 11 August, a Molotov cocktail was tossed at the home of a European Union official. No one was hurt in either incident and damage was considered minimal. Unexploded grenades were also found at the building that used to house MICIVIH and at a French-run private school. Requests for increased police protection by the international community in Haiti for the most part did not result in any significant measures.

III. Deployment and operations of the International Civilian Support Mission in Haiti

17. It is recalled that the recruitment of substantive staff of MICAH was delayed because of financing problems and that the first advisers did not begin to arrive in Haiti until mid-June 2000. Thereafter, staff were progressively recruited and deployed and, by mid-October, the three pillars of MICAH — justice, police and human rights — had a total of 68 advisers assigned to the Ministry of Justice, HNP, the Prison Authority, the Judges School and the Office of the Ombudsman, as well as to MICAH regional offices, a human rights verification unit and units working with civil society partners.

18. MICAH worked with UNDP and bilateral donors involved in the areas of justice, police and human rights to identify short-term projects that would best be undertaken by the Mission. When issues concerned more than one of the MICAH pillars, joint approaches were made to the authorities. MICAH took part in a discussion with all the United Nations agencies on the common country assessment conducted throughout June 2000, and on the methodology and joint initiatives being undertaken to prepare the United Nations Development Assistance Framework for the period 2002-2006.

IV. Justice

19. The justice pillar of MICAH, which had 17 advisers by mid-October, provided logistical and organizational support for a process of discussion and revision of five newly prepared draft laws, three concerning the organization and independence of the judiciary, one concerning drug trafficking and one concerning money-laundering. The process began with discussions with judicial officials and lawyers in each of Haiti's five appellate courts. It was followed by a five-day national forum at the Judges School, organized jointly by the Ministry of Justice and the MICAH justice pillar, which brought together all of the actors in the justice sector to discuss the five draft laws, with the participation of three United Nations international experts.

20. There were two trials held during this period that were landmarks in the fight against impunity and in efforts to improve due process during criminal trials. One was the three-week trial of a group of police officers accused of 11 executions in 1999 in the Port-au-Prince district, Carrefour-Feuilles. The other was the trial of 22 former army officers, soldiers and civilians accused in a 1994 massacre in the Gonaïves district of Raboteau, which began on 29 September. MICAH monitored the Raboteau trial and provided technical assistance to those planning security. UNDP also facilitated the testimony at trial of five military experts and legal anthropologists.

21. Building on the work of UNDP, the justice pillar helped to reorganize the Prison Authority and began a programme of training in prison and personnel management for the Prison Authority's trainers and wardens. Together with UNDP and the International Committee of the Red Cross, it supported the Prison Authority's attempts to address problems in prison conditions, including inadequate food, medical treatment, sanitary conditions and recreation time outside cells. MICAH voiced its concern to the authorities about the continued detention, without legal basis, of nearly 300 deportees in the National Penitentiary and in Port-au-Prince police stations after their repatriation from the United States upon completion of prison sentences. The authorities, who reluctantly resumed accepting deportees in June, acknowledged that such detentions were not legal but maintained that public security concerns and the lack of facilities for social rehabilitation and reintegration

prevented their immediate release. A female deportee died in hospital in September after falling ill in police custody.

22. The justice pillar also gave juridical and technical support to non-governmental organizations providing legal aid for the poor, and took on the publishing of a French-Creole lexicon of legal terms, together with the Ministry of Justice, the State University of Haiti, the Port-au-Prince Bar and the jurists' association. Advisers were also assigned to provincial courts to help speed up the processing of detainees, assist with judicial control over the police, and improve the work of court and prison clerks.

V. Haitian National Police

23. The police section of MICAH had 24 advisers by mid-October, assigned to the directorates and central offices of HNP in Port-au-Prince — including the General Directorate, the Inspectorate General, the Administrative Police, the Judicial Police Directorate, the Bureau for Criminal Affairs and the Centre for Information and Operations — and the nine Police departmental directors.

24. The equipment and materiel necessary for the police to operate were found to be in extremely short supply in most units. Some police officers of all ranks were reported to be demoralized and unmotivated. In addition to the tough conditions and shortage of equipment, the reasons for demoralization included the negative impact of instances of corruption and drug trafficking, accompanied by attempts by a faction of Fanmi Lavalas to gain control of the force. After the installation of the new Parliament, several Fanmi Lavalas senators embarked on a campaign of almost daily criticism of the police, accusing the service of incompetence and inactivity in the face of soaring crime and of having corrupted elements within its ranks. Expectations that many police officers would be replaced after the change of Government contributed to a wait-and-see attitude, in particular in view of the arrest of several high-ranking officers on suspicion of plotting a coup d'état, a charge for which there was seemingly little evidence.

25. During this period, the police section organized a one-day seminar which brought all of its advisers together with 26 senior HNP officials and representatives of bilateral and multilateral donors working in the police and justice areas. The Director General of HNP also attended the seminar, which was aimed at explaining the nature of MICAH technical assistance to the police and encouraging receptivity, as well as providing a forum for a free exchange of ideas. A nationwide police recruitment drive was launched on 2 October with the support of MICAH.

VI. Human rights

26. The human rights section of MICAH had 27 advisers by the start of October, with teams deployed to Cap Haïtien, Gonaïves and Les Cayes as well as Port-au-Prince. Advisers began assignments at the Office of the Ombudsman (Office de la Protection du Citoyen) and at the Inspectorate General of the Police. A four-day training programme was developed for human rights instructors at the Police Academy, in order to reinforce their knowledge of human rights issues, Haitian law and good police practice. A team also initiated human rights training for new prison guard recruits with the eventual aim of training trainers at the Prison Authority to take over the module.

27. International Peace Day (19 September) was used as a vehicle to promote the values of a culture of peace through the media, round-table meetings and other activities organized jointly with the United Nations Educational, Scientific and Cultural Organization (UNESCO). MICAH planned other events in the context of the International Year for the Culture of Peace, including supporting a nationwide writing competition for young people organized by radio journalists. A seminar on the complaints mechanism of the Inter-American Commission of Human Rights was held with members of the Commission in August for Haitian human rights organizations.

28. Although on a lesser scale than its MICIVIH predecessor, the human rights section began carrying out verification activities, following up primarily incidents of violence which could be of a political nature and a number of allegations of serious abuse. Incidents of violence linked to the 21 May electoral process subsided as the process slowly concluded. There were, however, sporadic reports of groups of sometimes heavily armed men accompanying Fanmi Lavalas officials and acting in an intimidatory fashion. Likewise, the continued failure to punish individuals linked to certain pro-Fanmi Lavalas organizations allegedly responsible for violent and threatening

behaviour compounded the perception that institutions responsible for guaranteeing law and order and protecting human rights were increasingly subordinated to the dominant power group. Following the installation of the new municipal councils, security agents attached to town halls assumed policing functions, posing a threat to the protection of human rights, given the lack of controls or a legal framework for their activity.

29. Respect of the rights to individual liberty and a fair trial within a reasonable time limit continued to be the most frequent human rights violations, in particular in Port-au-Prince where there are detainees held since 1995 and 1996 without trial, some of them with release orders. Political considerations would still appear to dominate in some cases. Poor record-keeping in both prisons and courts compounded the difficulties of tracking cases and facilitated such violations. These problems were referred to the MICAH justice section for follow-up through its technical support at the Prison Authority and in certain jurisdictions. Local police authorities in Port-au-Prince began taking action in response to concerns expressed about prolonged detention in police custody and sharply deteriorated conditions which were jeopardizing the health of detainees. The human rights section also monitored the Carrefour-Feuilles trial of six police officers, four of whom were convicted of murder.

VII. Development activities

30. Representatives of the United Nations system in Haiti have continued their efforts to implement the reform programme of the Secretary-General. After almost one year of dialogue, consensus-building and formulation involving all key development partners, and following a thorough validation process, the common country assessment document was finalized and officially released on United Nations Day. Building on the consensus that emerged from the assessment, and in line with Economic and Social Council resolution 1999/11 of 27 July 1999, in which the Council called for the development of a long-term strategy and programme of support for Haiti, the United Nations system is engaged in the formulation of a United Nations Development Assistance Framework for Haiti, which is expected to be finalized in January 2001. To launch the process, two workshops were organized for all United Nations agencies, with the participation of representatives of the United Nations Development Group Office at UNDP. Three broad, transversal themes were adopted in the preparation of the Framework: (a) education for all, enhancement of human resources and access to social services; (b) governance and rule of law; and (c) food security and rural development.

31. Pursuant to an earlier agreement among the Government, the World Bank and the International Monetary Fund (IMF) on the preparation of an interim poverty reduction strategy paper, the Government formulated a preparatory document describing the underlying strategy. Meanwhile, an IMF mission visited Haiti in order to evaluate the status of the budget deficit and public finances and to devise a strategy to restore equilibrium to the budgetary accounts and control inflation.

32. In addition to the United Nations country team's intense mobilization around the assessment and Framework processes, agencies have continued to develop and implement their own programmes within their mandated areas. UNDP launched its justice programme, after in-depth discussions held with the Ministry of Justice and MICAH. The programme is aimed at (a) reinforcing the leadership of the Ministry of Justice and its capacity to formulate a policy for the justice sector; and (b) promoting the participation of other actors, including civil society, in the debate on judicial reform. In the context of the employment programme of UNDP and the International Labour Organization, a presentation was made to introduce the broad lines of the national employment promotion policy. UNDP also supported the preparation of the first national plan for risk and disaster prevention and management.

33. In cooperation with relevant national and local authorities, the World Food Programme (WFP) provided special assistance to stabilize the food security situation in the drought-stricken north and north-eastern regions. WFP also undertook an inter-ministerial review of its programme in Haiti. In addition to its regular activities, the World Health Organization provided continuous support for vaccination campaigns against measles, together with the United Nations Children's Fund (UNICEF), and mobilized special resources to combat infant mortality. UNICEF also finalized its cooperation strategy with the Government for its next country programme and supported the Government in finalizing the national

report on the follow-up to the World Summit for Children. The Joint United Nations Programme on HIV/AIDS (UNAIDS) continued its public information campaign in 10 major cities, entitled "Artists and youth caravan against AIDS". In collaboration with UNICEF and UNESCO, the United Nations Population Fund supported a youth national congress. It also launched a project on HIV/AIDS prevention and provided support to the Haitian delegation attending the five-year follow-up to the Fourth World Conference on Women. The Food and Agriculture Organization of the United Nations supported a series of activities for World Food Day and aided in the preparation of an agricultural policy document and action plans for the fisheries and aquaculture sectors. The International Organization for Migration organized a series of workshops on migration issues and provided support for the drafting of a migration law. The United Nations disaster management team reacted swiftly to Hurricane Debby, facilitating several coordination meetings with all concerned actors so that preparatory measures were taken

VIII. Observations

34. The political polarization of Haiti was highlighted by the Inter-American Commission of Human Rights, which visited Port-au-Prince from 21 to 25 August. In a statement issued at the end of the visit, the Commission stated that the most critical and worrying aspect of the current human rights situation in Haiti was the deterioration of the political climate to such a point that no consensus seemed to exist about the ways in which to consolidate the country's fledgling democracy. In his most recent report, the independent expert of the Commission on Human Rights on the situation of human rights in Haiti pointed out that Haiti suffered from an enormous lack of a culture of democracy, which must be reduced if democracy were truly to be strengthened and political stability ensured in that country, which seemed to have gone from one crisis to another since the restoration of democracy (A/55/335, para. 29).

35. A disturbing element of this polarization is the widely held perception among opponents of Fanmi Lavalas — shared by many former supporters — that the party might establish a dictatorial and repressive regime if, as is widely expected, Mr. Aristide once again assumes the presidency. On the other hand, it is very evident that Mr. Aristide enjoys the loyalty of broad sectors of the urban and rural poor. The disinclination of the parties to work towards a compromise is a fundamental cause of the polarization.

36. The negative perception of Mr. Aristide's party seems to be a factor in the opposition's reluctance to enter into a dialogue. Many in the opposition seem to hope that, under the pressure of international isolation and internal unrest, Fanmi Lavalas will somehow disintegrate and that compromise is therefore unnecessary. The consequences of this attitude can be seen in Haiti's political stalemate, soon to enter its fourth year. Its costs can be witnessed in the increasingly desperate situation of the country's poor, unprotected from the impact of external factors, such as rising oil prices and some aspects of globalization.

37. In my previous report, I stressed the fact that Haitian authorities had flouted the views of OAS, the International Organization of la Francophonie, CARICOM, bilateral partners, domestic electoral monitors and other civil society groupings, as well as the United Nations, in particular the concern of members of the Security Council. In refusing to recalculate the erroneous Senate results, some Haitian leaders have violated basic norms of democratic governance and fair play. In recent weeks, as opportunity after opportunity to reach common ground has been missed, there have been suggestions by critics that these leaders are further isolating Haiti, and ensuring it pariah status. This isolation is apt to grow, as a Parliament has been seated whose legitimacy is in doubt, rendering unlikely the early resumption of international assistance.

38. A further indication of the deteriorating political situation is the charge that high-ranking officers within HNP were plotting a coup d'état, although evidence has not been presented. Already demoralized by poor working conditions and a climate of impunity, HNP is increasingly the target of those who would use the force for their own political ends. It bears recalling that public security is central to the lives of all citizens and that an independent police force, which respects the rights of citizens, is indispensable to any democratic society.

39. It was with considerable reluctance that the United Nations withdrew the team of experts which was providing technical assistance to CEP, after supporting for several years Haiti's efforts to ensure

conditions adequate to the free exercise of the franchise. This most recent technical assistance project began nearly one year ago, and was expected to last through the presidential elections scheduled for the end of 2000. It aimed also to train a new Permanent Electoral Council, which will be charged with organizing elections over the next decade. After intensive examination of Haiti's current electoral council and its practice, it was decided that requisite standards had not been met, necessitating the withdrawal of United Nations support.

40. While denying the Government direct international assistance, so as to send a political message, Haiti's bilateral donors hope to avoid hurting the Haitian population by channelling aid through non-governmental organizations. However, directly or indirectly, the Haitian economy and population will inevitably suffer. The swings of international assistance from government to non-governmental organizations and back, according to the legitimacy of the government of the day, have disrupted long-term development in the past. Assistance provided through non-governmental organizations may partially alleviate hardship but the Government is a necessary partner for poverty reduction and health programmes. Likewise, the kinds of programmes needed to revive development — such as infrastructural projects and schemes to reinforce the police and overhaul the judicial system — require strong, governmental measures. Furthermore, the failure of the Haitian authorities to address the concerns of the political parties and the international community has so far prevented Haiti from regaining access to the international financial assistance that has been suspended for the past three years. These factors, and the overall political crisis, have been largely responsible for the fall in the gourde, which has hit the poor hard by triggering a rapid rise in the price of foodstuffs and other basic commodities.

41. In the absence of any solution to the crisis, popular discontent seems likely to mount in response to the rising prices and increasing poverty, and may lead to further turmoil. A combination of rampant crime, violent street protests and incidents of violence targeted at the international community could severely limit the ability of MICAH to fulfil its mandate. Its capacity to function effectively has already been adversely affected by the withdrawal or reduction of once-important bilateral programmes of assistance in the areas of justice and public security. At bottom, MICAH support is contingent upon legitimate counterparts who enjoy the esteem of the Haitian people and that of the international community.

42. In this climate of political turmoil and instability, and with national counterparts often lacking or distracted by political concerns, it will be necessary to devise new forms of technical assistance that might better allow the United Nations system to continue supporting the Haitian people. It is my view, therefore, in the light of the conditions in Haiti, that a renewal of the mandate of MICAH is not advisable, and it is with regret that I recommend that the Mission be terminated when its mandate draws to an end on 6 February 2001. In preparation, discussions have already commenced among UNDP, MICAH and the Friends of the Secretary-General for Haiti, in consultation with other members of the United Nations system, with the aim of designing a programme of assistance to the Haitian people that is commensurate with the country's political realities and absorption capacity.

43. Overall, it is imperative that the country's political leaders and civil society engage in a constructive dialogue so as to address the needs of one of the most impoverished populations in the world and create an enabling environment for international financial and developmental assistance. I hardly need emphasize that a well-functioning, multi-party system is essential to democratic governance. Political turmoil has produced plummeting economic indicators, which in turn has led to a deteriorating security situation. Firm action to stop this downward spiral is long overdue. It should be emphasized that, in the absence of such steps, the misery of Haiti's long-suffering poor majority will only be exacerbated.

44. The Friends of the Secretary-General for Haiti deserve gratitude for their advice and cooperation, which have been a key element throughout United Nations activities in Haiti. I shall count on their counsel in the future. I am grateful to the Member States which have contributed to the Trust Fund for MICAH — Canada, Norway and the United States of America. I would like to commend the efforts of my representative, Alfredo Lopes Cabral and all MICAH personnel, for their work in difficult and challenging circumstances.

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Programme budget for the biennium 2000-2001

Review of the Information Systems Coordination Committee

Report of the Secretary-General*

Summary

In considering the proposed programme budget for jointly financed activities for the biennium 2000-2001, the Advisory Committee on Administrative and Budgetary Questions recommended that the role and future of the Information Systems Coordination Committee be reviewed and that, pending the outcome of such a review, the appropriation of the United Nations share of the budget be withheld. In its resolution 54/249 of 23 December 1999, the General Assembly endorsed that recommendation and requested the Secretary-General, pending the outcome of the review, to identify appropriate resources to finance the United Nations share of the cost of the Committee for the first year of the biennium 2000-2001, and to report thereon in the context of the first performance report.

The present report summarizes the current state of the review of the role of the Committee, which is being carried out within the framework of the ongoing process of reform of the machinery of the Administrative Committee on Coordination, and presents the views of the Secretary-General on its usefulness and future role. The report confirms the commitment of the Administrative Committee on Coordination to ensuring the effective management of information technology and sets out the Secretary-General's support for the measures being taken by that Committee to reinforce the coordination of information and communications technology activities, through its High-level Management Committee and a strengthened coordination mechanism, building upon the Information Systems Coordination Committee. The coordination mechanism will draw and capitalize on the work accomplished so far by

* The present document is being submitted after the established deadline owing to the need to incorporate the results of inter-agency consultations on the issue.

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the Information Systems Coordination Committee and on related secretariat support arrangements, and will be based on a prioritization of existing work programmes and new initiatives. The report also stresses that the continuation of the many activities initiated by the Information Systems Coordination Committee is indispensable.

In the light of the above, the Secretary-General recommends the continued funding of the United Nations contribution to the Information Systems Coordination Committee for the biennium 2000-2001, and will reflect the necessary provisions in the first performance report for the biennium 2000-2001.

I. Introduction

1. In the context of its review of jointly financed activities in the proposed programme budget for the biennium 2000-2001, the Advisory Committee on Administrative and Budgetary Questions recommended that the role and future of the Information Systems Coordination Committee be reviewed and, pending the outcome of such a review, recommended against the appropriation of the United Nations share of the budget for that Committee.[1]

2. The General Assembly, in resolution 54/249 of 23 December 1999, endorsed the recommendations of ACABQ and requested the Secretary-General, pending the outcome of the review of the Information Systems Coordination Committee, to identify appropriate resources to finance the United Nations share of the cost of the Committee for the first year of the biennium 2000-2001, and to report thereon in the context of the first performance report.

3. The decision of the Assembly stemmed from a concern that the development of information technology systems throughout the United Nations Organization was an area that required special attention and was not being adequately addressed or coordinated. Since the Information Systems Coordination Committee is an integral part of the machinery of the Administrative Committee on Coordination, the present report deals with its role and the current review by the Administrative Committee on Coordination of its contribution and functioning in the broader context of the overall efforts of the Administrative Committee on Coordination to enhance the coordination of information and communication technology within the United Nations system.

II. Background

4. The Information Systems Coordination Committee was established in 1993, as part of a wider restructuring of the subsidiary machinery of the Administrative Committee on Coordination. Participants in the Information Systems Coordination Committee include senior information management and technology managers of organizations of the United Nations system. Managers and staff members of the information and communications technology departments of United Nations organizations participate in its working groups. A very small secretariat, comprising one Professional and one General Service staff member, supports the Committee's activities and the overall work of the Administrative Committee on Coordination in the field of information and communications technology. The mandate of the Information Systems Coordination Committee at present includes, inter alia, the provision of advice and medium-term and long-term strategic views to the Administrative Committee on Coordination; decisions on specific areas of information and communications technology that may require system-wide standardization; proposals on practices and standards that might be adopted by the organizations of the United Nations system; the provision of a forum for the exchange of information; and the development and maintenance of an electronic repository data on information systems.

5. In establishing the Information Systems Coordination Committee, the Administrative Committee on Coordination indicated that the Committee's first priority should be to create policies and standards to ensure wider accessibility of the information in the United Nations system. This priority was reaffirmed by the Economic and Social Council in various resolutions adopted since 1991, in which the Council stressed the importance of sharing information electronically, easily and accurately, regardless of which organization had created the information.

6. The requirement that prompted the establishment of the Committee remains, and sharing of and ensuring accessibility to information will continue to be actively pursued. Definite progress has been made in this area, and the work of the Committee on coordination in the administrative uses of information and communications technology and the production of technical standards, recommendations and guidelines has improved access to information throughout the system and, in some cases, generated savings. The extraordinary developments in the field of information technology and communications over the past few years have, however, shifted the focus and concern of member States and the Administrative Committee on Coordination with regard to inter-agency cooperation in that area. Information and communications technology has become pervasive in all programmatic and administrative activities, and the need for enhanced coordination, not only at the administrative but also at

the policy level, is becoming ever more apparent and urgent.

7. The request of the General Assembly in resolution 54/249 came at a time when, in response to the above-mentioned developments and needs, the Administrative Committee on Coordination had decided to undertake a wide-ranging discussion of information technology at its spring (northern hemisphere) session in 2000, addressing both its contribution to economic and social development and its role in enhancing the functioning of the United Nations system. It also followed a decision of the Administrative Committee on Coordination, adopted upon the initiative of the Secretary-General, to launch a further review of the Administrative Committee on Coordination and its subsidiary machinery. An important part of this review, which is currently in progress, is focused on the challenges posed for the United Nations system by the developments in the field of information and communications technology and the role and functions of the Information Systems Coordination Committee in that regard.

III. Review by the Administrative Committee on Coordination of inter-agency coordination in the field of information and communications technology

8. During the discussions by the Administrative Committee on Coordination of information technology at its spring session in 2000, the executive heads recognized that the effective management of information technology was critical to the effectiveness of the functioning of the system and, even more important, to its support for member States. The executive heads noted that the organizations of the system needed to become learning organizations, and that knowledge and learning capacity would increasingly determine development outcome rather than investment in physical capital alone. They therefore committed themselves to focusing on developing a culture of knowledge sharing and learning rather than on information technology alone.

9. The executive heads also noted that, in the period ahead, organizations of the United Nations system would need to cooperate more than ever before so as to avoid duplication of effort and enhance their ability to provide information technology solutions to member States. In order to enable the United Nations system to respond to these challenges and developments, the executive heads provided guidelines for a comprehensive and coordinated approach at the inter-agency level towards building a capacity for knowledge acquisition and dissemination. They agreed, inter alia, to focus on:

(a) Strengthening collaboration among organizations of the system in the field of information and communications technology, including at the country level;

(b) Organizing a system-wide community of information technology experts and users as a system-wide resource facility and service for information on information technology internal needs and for operational activities;

(c) Strengthening partnerships with the private sector;

(d) Developing an inventory of systems being used and evolved, in particular for communications between headquarters and the field, so that possible synergies could be better exploited.

10. The high-level segment of the Economic and Social Council held in July 2000, on the theme "Development and international cooperation in the twenty-first century: the role of information technology in the context of a knowledge-based global economy", was an important occasion for enhancing system-wide support in the field of information and communication technology. The many cooperative activities undertaken in support of the Council's work included a joint statement, in which the executive heads reaffirmed their previous statement on universal access to basic communications and information services and committed themselves to specific collaborative action to harness the power of new technology to promote development. Organizations of the United Nations system also contributed to the work of a number of panels convened in preparation for the Council's discussions, such as the panel on knowledge management, organized by the World Bank, the panel on universal access to information and informatics for human development, organized by the United Nations Educational, Scientific and Cultural Organization and the panel on intellectual property aspects, organized by the WIPO.

11. The report of the Secretary-General to the Council on information and communications technology (E/2000/52) was prepared in close cooperation with the organizations of the system. Several executive heads participated in the Council's debate, together with key figures in the field of information technology. The ministerial declaration adopted by the Council[2] reaffirmed the key role of the United Nations system in mobilizing concerted efforts to bridge the digital divide and to expand the development impact of information and communication technology. It outlined the priorities for the United Nations system in this regard and encouraged the adoption of a strategy that would ensure coordination and synergy among programmes and activities of individual organizations, so as to transform the United Nations family into a knowledge-based system of organizations.

12. These developments are having a major influence on the direction of the ongoing review by the Administrative Committee on Coordination of its functioning, and the role and structure of its subsidiary machinery. The review has, among its key aims, enhancement of the effectiveness of the support provided by the Committee to intergovernmental bodies and the refocusing and streamlining of its subsidiary machinery. The review has, in the first instance, resulted in the establishment of two high-level committees to guide and strengthen inter-agency coordination in, respectively, the programme and management areas, and a process, which is currently under way, of review and streamlining of the subsidiary structures in these two areas. Guiding system-wide work in information and communications technology has been identified as one of the key responsibilities of the newly established High-level Committee on Management. In view of the importance and scope of coordination requirements in the field of information and communications technology the Administrative Committee on Coordination has requested the High-level Committee, as one of its main and first tasks, to focus on prioritizing work in this area and defining the parameters of a strengthened coordination mechanism for information and communications technology activities, building upon the work of the Information Systems Coordination Committee. Such a mechanism will be guided by and report to the new High-level Committee on Management. In view of the cross-cutting nature of information and communications technology, the coordination mechanism will provide advice for and support relevant aspects of the work and objectives of the High-level Committee on Programmes. Within this framework, the present secretariat of the Information Systems Coordination Committee will be called upon to support not only the activities of the coordination mechanism but also that of the two high-level committees and the Administrative Committee on Coordination itself in all matters related to information and communications technology.

13. The requirement for a strengthened coordination mechanism was consistently emphasized throughout the process of the review that led to the adoption of the above-mentioned decisions. As part of that process, a special inter-agency consultative meeting on the coordination of information technologies in the United Nations system was convened in 2000 to make proposals on the ways in which improved coordination and innovative uses of information and communications technology would serve to strengthen the effectiveness and impact of the work of the United Nations system. In making these proposals, attention was drawn to the extensive range of intellectual and technical capabilities and knowledge possessed by the system in the field of information and communications technology, in terms of both types of activity and their geographical spread. It was noted that, despite some perceptions to the contrary, the United Nations system had proven effective and imaginative in its use of information and communications technology in many areas, including innovative systems for the delivery of information. At the same time, it was recognized that coordination in this field had remained somewhat narrowly focused, involving a small number of practitioners, and with attention devoted, since the 1980s, to administrative uses of information and communications technology and, since 1993, to technical standards and guidelines. The funding of coordination in this field has been largely based on that focus. As information and communications technology activities become an integral and increasingly important part of almost all programmatic and administrative activities, the need to extend innovation and collaboration along a broader front has become evident, and a broader and more policy-oriented approach to inter-agency coordination has become essential. It is necessary, in particular, that a larger number of staff with expertise in information and communications technology share their skills

effectively so as to avoid duplication and, even more important, solve problems of common concern.

14. The meeting recommended that a strengthened coordination mechanism should concentrate on facilitating and expanding the sharing of knowledge among information and communications technology experts throughout the system, in order to further innovative solutions and develop shared visions in the use of relevant facets of information and communications technology. In serving as the primary focus for the coordination of activities in this field, the mechanism would work to define standards of formats and tools that will facilitate the exchange of data, and develop and maintain comprehensive inventories of activities. It would address aspects of a system-wide strategy, standards and guidelines for infrastructure and administrative systems and assess, by means of studies and pilot projects, the feasibility of proposals for the development of system-wide information systems that would then, in most cases, be transferred to lead agencies for development and day-to-day operation. While acknowledging the budgetary constraints in most organizations, the meeting stressed that adequate funding was needed to foster improved coordination of information and communications technology activities.

15. The conclusions and recommendations of the consultative meeting will serve as the basis for the discussions of the High-level Committee on Management on information and communications technology when it holds its first meeting in December 2000.

IV. Coordination of information and communications technology activities in the United Nations Secretariat

16. In past years, the dissemination in the United Nations Secretariat of information on the activities of the Information Systems Coordination Committee has been limited to the relatively small number of staff participating in the Committee or its working groups, in particular those dealing with library and telecommunications matters. Pertinent information was not adequately shared among most information technology professionals at Headquarters and at offices away from Headquarters, which resulted in insufficient knowledge regarding the activities of the Committee, including in the Information Technology Services Division of the Office of Central Support Services, Department of Management.

17. This situation arose because of the absence of a comprehensive information technology policy in the United Nations Secretariat. The reorganization of the Information Technology Services Division and the definition of a framework for an information technology policy in the Secretariat, outlining strategic directions in the various areas of information technology activity, has changed the situation considerably. Information technology professionals in the Information Technology Services Division, in departments and offices at Headquarters and the information technology chiefs at offices away from Headquarters have been given access to the web site of the Information Systems Coordination Committee. The new chiefs of service of the Division have also been directly involved in specific projects undertaken by the Committee.

18 Since the beginning of 2000, documentation and information on the activities of the Information Systems Coordination Committee are also being shared with information technology professionals of the United Nations Secretariat at all duty stations. The Information Technology Services Division has initiated or actively participated in the electronic sharing of information on several strategic issues of common interest, such as the security of information technology, Internet policies, privacy protection, private automatic branch exchange (PABX) technologies and sharing of experience and plans concerning PABX, personnel issues, information technology policies, enterprise resource planning systems etc. These activities have provided the United Nations Secretariat with relevant and useful information for its activities. Through its participation in the Committee and its working groups, the Secretariat has benefited from the experience gained by other organizations and has shared its knowledge and experience with others.

19. The Information Technology Services Division has also been entrusted by the Information Systems Coordination Committee with the responsibility of leading the project for the creation and establishment of a United Nations system Extranet, which will allow the sharing of information among United Nations system staff in a secure environment. The overall concept and high-level design have been finalized and

steps have been taken for the implementation of the system.

20. The Division has also provided technical assistance to the Committee and to the Office for Inter-Agency Affairs in the creation of the online directory of senior officials.

21. The Dag Hammarskjöld Library continues to play a leading role in the United Nations consortium (created by the Information Systems Coordination Committee) for purchasing licences to the electronic versions of commercial information. A memorandum of agreement has been finalized for approval towards the end of 2000. The consortium is composed of 41 participating organizations which purchase information from 15 vendors. It is estimated that, in 1998, using the advantage of the consortium, the organizations of the United Nations system purchased information worth several millions of United Nations dollars for an actual cost of $600,000.

22. The United Nations Secretariat also signed the umbrella agreement with SITA (State-of-the-art Information Technologies in Aviation business), a not-for-profit organization that provides telecommunications to airlines. Thirteen organizations have taken advantage of this agreement, which was expanded, early in 2000, to include Intranet services.

23. The Secretariat, through various participants, is also active in the working groups of the Information Systems Coordination Committee dealing with telecommunications, archives and document management. In 2000, in addition to the Information Technology Services Division, Professionals staff members of the Department of Peacekeeping Operations, the Department of Management (Archives), the Department of Public Information (Library), the United Nations International Drug Control Programme, the United Nations Office at Vienna, the United Nations Office at Nairobi and the United Nations Compensation Commission have directly contributed to or participated in the Information Systems Coordination Committee activities.

24. The Information Technology Services Division was actively involved in the above-mentioned inter-agency consultative meeting on the coordination of information technologies in the United Nations system. Some of the current initiatives of the United Nations, such as the inventory of systems and infrastructure in the United Nations Secretariat, are of primary interest for other organizations of the system and may be used as the basis to create a similar system. Finally, the creation of a United Nations system-wide community of information technology users is in line with a similar initiative being undertaken by the Secretariat to create such a community among information technology staff and users across duty stations.

V. Budgetary considerations

25. In terms of budgetary considerations, the Secretary-General notes that 58 per cent of the approved budget of the Information Systems Coordination Committee of $1,380,300 for the biennium 2000-2001 relates to substantive technical activities (mainly the expertise required to implement various projects that directly benefit the organizations of the system). The table below summarizes the planned expenditure for the biennium, by type of activity. Taking into account the fact that each initiative will impact on the United Nations system at large, the Secretary-General considers that the level of expenditure and the related United Nations contribution are fully justified.

26. Most of the coordination activities in this field have consisted in knowledge-sharing among information technology professionals throughout the United Nations system who are faced with similar issues and problems, albeit in different environments, countries and organizations of different size and different structure. The information technology community in the United Nations system is unique, owing to the varied experience and skills of its staff. It is impossible to attach a monetary value to the exchange of information attained so far through the biannual meetings of the Information Systems Coordination Committee and increasingly through the electronic tools available. In the industry, great importance is given to these types of meetings as one of the best means that professionals have for assessing and learning about the experience gained by others in new technologies. It is expected, however, that within the new structure being proposed for inter-agency cooperation, the focus of the coordination mechanism for information and communications technology activities will be more oriented on specific tasks than on meetings dealing with multiple issues.

Information Systems Coordination Committee: Planned expenditure for the biennium 2000-2001, by type of activity

Project activity	*United States dollars*
Telecommunications:	
Minimum standards for staff safety	
Shared technologies and facilities	
Joint procurements	98 300
Documents and archive systems:	
Standards for archives	
Standards for document indexing and retrieval	61 700
Library and information services:	
Union Catalogue of United Nations system libraries	
Digital library standards and best practice	
Field library support	
Joint access to electronic information	55 600
Internet technologies:	
United Nations system Extranet	
United Nations system portal	
Internet security standards and best practice	288 700
Strategies, resources, and management:	
Large system projects standards and best practice	
Information and communications technology staffing issues (recruitment and retention)	
Knowledge management	
Joint licences for software	114 000
Knowledge-sharing:	
Inter-organizational web sites	
Information and communications technology discussion forums	190 000
Total	**808 300**

27. The Secretary-General wishes to point out that the overall cost of coordinating information technology activities has remained stable over the past bienniums, while overall expenditure has increased dramatically. In a period of constrained resources and a reduction in the total number of staff, coordination and related projects have become additional tasks for information technology professionals in view of the limited resources available to the Information Systems Coordination Committee. It is the view of the Secretary-General that the limited resources available for coordination in this field is a major reason for the apparent limited progress.

VI. Conclusions and recommendations

28. The Secretary-General considers that strengthened coordination of information and communications technology activities is essential for enabling the United Nations system to perform its functions in a more efficient manner and for ensuring that the system is best equipped to mobilize information and communications technology for development. Information and communications technology is now an essential element in most activities in all organizations and locations, and coordination in this field must be assigned priority and adequate resources.

29. The new role envisaged, within the framework of the reform of activities of the Administrative Committee on Coordination, for the High-level Committee on Management and for the coordination mechanism, based on the work of the Information Systems Coordination Committee, confirms the commitment of the executive heads of the organizations of the United Nations system to take full advantage of these critical technologies in more effectively achieving their mission. The limited resources available to the United Nations system make it essential that the coordination of information and communications technology activities be strengthened, and play a key role in the transformation of the organizations of the United Nations system into knowledge-based entities.

30. The Secretary-General thus fully endorses the strengthening of the coordination of such activities in the United Nations system being pursued within the framework of the Administrative Committee on Coordination. The arrangements made will capitalize on the work done so far by the Information Systems Coordination Committee and will be based on a prioritization of the existing work programmes of that Committee and new initiatives.

31. Continuation of the activities initiated by the Information Systems Coordination Committee is indispensable. Consequently, the Secretary-General recommends to Member States the continued funding of the United Nations contribution to the Information Systems Coordination Committee for the biennium 2000-2001 and intends to reflect the necessary appropriation adjustments in the first performance report for the biennium.

Notes

[1] *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 7* (A/54/7), chap. II, para. X.16.

[2] See A/55/3, chap. III, para. 17. The report of the Council will be issued in final form as *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 3* (A/55/3/Rev.1).

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Agenda item 20 (b)
Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: special economic assistance to individual countries or regions

Economic assistance to the Eastern European States affected by the developments in the Balkans*

Report of the Secretary-General

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* The footnote requested by the General Assembly in its resolution 54/248 was not included in the submission.

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I. Introduction

1. In its resolution 54/96 G of 15 December 1999, the General Assembly expressed concern at the special economic problems confronting the Eastern European States affected by the developments in the Balkans, in particular their impact on regional trade and economic relations and on navigation along the Danube and on the Adriatic Sea. The Assembly welcomed the support already provided by the international community, in particular by the European Union (EU) and other donors, to the affected States to assist them in coping with their special economic problems during the transition period following the lifting of the sanctions pursuant to Security Council resolution 1074 (1996) of 1 October 1996, as well as in the process of economic adjustment following the developments in the Balkans.

2. In the same resolution, the General Assembly stressed the importance of the effective implementation of the Stability Pact for South-Eastern Europe and of its follow-up activities aimed, inter alia, at economic reconstruction, development and cooperation, including economic cooperation in the region and between the region and the rest of Europe. The Assembly invited all States and the relevant international organizations, both within and outside the United Nations system, in particular the international financial institutions, to continue to take into account the special needs and situations of the affected States in providing support and assistance to their efforts for economic recovery, structural adjustment and development. The Assembly encouraged the affected States of the region to continue the process of multilateral regional cooperation in such fields as transport and infrastructure development, as well as to foster conditions favourable to trade and investment in all the countries of the region. The Assembly invited the relevant international organizations to take appropriate steps in order to broaden access for interested local and regional vendors and to facilitate their participation in the efforts for reconstruction, recovery and development of the region.

3. Also in resolution 54/96 G, the General Assembly requested the Secretary-General to report to the Assembly at its fifty-fifth session on the implementation of the resolution. The present report was prepared in response to that request.

II. Information regarding economic assistance to the affected States

4. Pursuant to General Assembly resol 54/96 G, the Secretary-General, in a note verbale 19 June 2000, invited all Governments to commun information on action taken by them to alleviat special economic problems of the affected States addition, the relevant international organizations, within and outside the United Nations sy including the international financial institutions an regional bodies concerned, were invited to pr updated information on their assistance activitie behalf of the affected countries.[2] Substantive fea of the replies received are summarized below.

A. Communications received from Stat

5. At 25 October 2000, nine States, namely, Japan, Norway, Poland, the Russian Federation, Arabia, Switzerland, Ukraine and Yugoslavia, replied to the note verbale of the Secretary-Gener follows.

6. **Italy** has supported the process of econ transition and democratization in the Balkans sinc early 1990s, both through bilateral and reg programmes, estimated to date at a total of more $1 billion. In the case of Albania, Italy ranked a top bilateral donor, allocating some $390 millio 1991-2000 for projects in such areas as infrastru improvement, agricultural development, privatiz crime control, statistics and education. With reconstruction and recovery programme for Bosni Herzegovina (1996-2001), Italy pledged some million to support multilateral projects for rehabilitation of social and health-care struct institution- and capacity-building and consolidati inter-ethnic relations. In Croatia, Italy allocate 1996-2000 some $10 million to cooper programmes, including a decentralized multise programme implemented jointly with the Venezia-Giulia region in the former Eastern Sla In the former Yugoslav Republic of Macedonia, provided, in 1996-2000, some $23 million to f credit line for balance-of-payment support, a proj restructuring the health care system and a proje microinitiatives.

7. In addition to some $6.8 million provided to Yugoslavia in 1996-1998, Italy is now considering the allocation of some $110 million to start up a major economic programme aimed at consolidating democracy in the country through short- and long-term projects. In the interim period 1999-2000, the Government of Italy pledged some $14 million for emergency relief and assistance to Kosovo, which was supplemented by some $270 million mobilized by various Italian authorities and civil society to assist Kosovar refugees. Humanitarian assistance to Serbia (food and medicine supplies) amounted to some $10 million, including contributions within the city-to-city initiative. Emergency food assistance worth some $3 million was provided to Montenegro.

8. Italy has strongly supported the implementation of the Stability Pact for South-Eastern Europe, with the highest bilateral contribution of some 160 million euros. The Italian Parliament is now debating a draft law whereby an additional $200 million would be allocated for the reconstruction of the Balkans. In May 2000, the Italian city of Ancona hosted the Conference on Security and Development in the Adriatic and Ionian, which launched the Adriatic and Ionian Initiative (see S/2000/541), a new subregional integration process covering the areas of economic cooperation, tourism, maritime transportation, environment protection, inter-university exchanges and crime control.

9. **Japan** reported that its assistance to South-Eastern Europe had totalled 4.7 billion yen in fiscal year 1999 (April 1999-March 2000), including grants to the following countries: Albania (1,306 million yen), Bosnia and Herzegovina (938 million yen), Bulgaria (557 million yen), Croatia (69 million yen), Romania (556 million yen) and the former Yugoslav Republic of Macedonia (1,305 million yen). During the period from 1991 to 1999, Japan's official development assistance to the countries of the region exceeded 102 billion yen, comprising the following total amounts under three aid categories: loans (56.7 billion yen), grants (32.9 billion yen) and technical cooperation (12.6 billion yen). The reported breakdown by recipient country and by major projects supported by Japan's official development assistance disbursements included: Albania (9.6 million yen) for agricultural sector adjustment, hydropower station rehabilitation, electric power transmission, emergency relief and grass-roots projects; Bosnia and Herzegovina (25.6 million yen) for electric power improvement, increased food production, public transportation system rehabilitation, medical equipment supply and grass-roots projects; Bulgaria (30.5 million yen) for industrial pollution improvement, port expansion, energy efficiency centre, grass-roots projects, management and training; Croatia (1 million yen) for debt rescheduling, grass-roots projects and training; Romania (27.7 million yen) for port rehabilitation, road improvement, medical equipment supply, grass-roots projects, development studies and training; and the former Yugoslav Republic of Macedonia (7.8 million yen) for debt rescheduling, medical equipment supply, increased food production, grass-roots projects, development studies and training.

10. **Norway** stated that its total contributions to assistance projects in South-Eastern Europe for 2000 had amounted to 834 million kroner. Those projects covered such areas as promotion of democracy, humanitarian relief, infrastructure improvement and support to economic development. In the area of infrastructure, Norwegian support amounted to 100 million kroner and included regional projects for restructuring the water and electricity systems in the region. The funds have been channelled mainly through the Norwegian Agency for Development Cooperation and the World Bank. Norwegian support to economic development in the region amounted to 90 million kroner, a substantial part of which was channelled through regional projects administered by regional economic organizations. Examples include: (a) the trade facilitation programme administered by the European Bank for Reconstruction and Development (EBRD), which provides funding for financial investments and technical cooperation in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Romania and the former Yugoslav Republic of Macedonia; and (b) the programme on South-Eastern Europe administered by the Organisation for Economic Cooperation and Development (OECD), which covers Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Romania, Slovenia and the former Yugoslav Republic of Macedonia.

11. **Poland** recalled that, during the July 1999 summit meeting of members and observers of the Stability Pact for South-Eastern Europe, the President of Poland expressed Poland's willingness to implement the goals of the Stability Pact and participate as a full member of the Pact. On 18 January 2000, the Polish Government adopted guidelines for the Polish

participation in the Stability Pact. Accordingly, Poland has actively participated in humanitarian actions in the Balkans, mostly in Kosovo. At the same time, special attention has been focused on rehabilitation and recovery efforts in the region, especially in Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia. Within the total amount of $36 million provided by Poland for development and humanitarian assistance in 1999, Poland granted $440,772 to Albania, $2.2 million to Bosnia and Herzegovina, $51,993 to Croatia, $103,024 to Slovenia and $1.8 million to the former Yugoslav Republic of Macedonia. In addition, Poland has been active in strengthening the security in the region through participation in the multinational military forces — the Stabilization Force (SFOR) and the Kosovo Force (KFOR). The Polish contingent of 1,300 soldiers is one of the biggest; Poland also covers the cost of the Lithuanian platoon. In 1999, the State budget allocated $20 million for military participation in the Balkan region. Moreover, Polish non-governmental organizations have been actively engaged in humanitarian actions and human and institutional capacity-building in South-Eastern Europe. In 2000, the Polish Government launched a special scheme of cooperation and co-financing with non-governmental organizations to implement development projects in the Balkans.

12. The **Russian Federation** contributed to the economic reconstruction of the Balkans, mainly through the implementation of bilateral projects and technical assistance projects with Yugoslavia. Since October 1999, deliveries of Russian natural gas and other power supplies have been resumed; these being the only source for ensuring the work of the industrial enterprises and communal economy of Yugoslavia. In 2000, in accordance with a protocol signed by Gazprom Ltd. and the Government of the Republic of Serbia, the Russian Federation began deliveries of 1,550 million cubic metres of natural gas. It is envisaged that 500 million cubic metres of gas will be supplied in terms of humanitarian assistance, including 300 million cubic metres to clear the Yugoslav debt for transit across Hungary. With the assistance of the Russian Federation, the infrastructure of the trans-Balkan gas pipeline and other electric power facilities is being modernized.

13. The two parties have embarked on the implementation of an intergovernmental agreement on the provision to Yugoslavia of an official loan for $150 million to finance deliveries of Russian equipment, goods and services. The shipment of machinery and technical equipment from the Russian Federation has begun under the following contracts: (a) reconstruction of the Kosovo, Nikola Tesla and Kostolats thermal electric power stations (for an amount of over $55 million); (b) supply of railway track-laying equipment ($5 million); (c) supply of a mining excavator ($8 million); and (d) reconstruction of the Plevlya thermal electric power station (over $30 million). In November 1999, in order to participate in reconstruction work in Yugoslavia, a consortium was established, within which the Russian and Yugoslav parties agreed on specific priority projects for an amount of about $35 million.

14. From April to August 1999, subdivisions of the Ministry for Emergency Situations of the Russian Federation delivered to Yugoslavia humanitarian consignments worth $1.4 million, the total value of the operation being $2.4 million. The Russian Federation has also sent out assessment missions and deployed operations for environmental clean-up, humanitarian demining and the reconstruction of schools and hospitals. The Ministry of Transport of the Russian Federation has made an assessment of the condition of the navigation channel of the Yugoslav section of the Danube, including the assessment of work to rebuild bridges and other river infrastructure (also in conjunction with a group of experts of the Danube Commission on the navigation channel in Yugoslavia). Within the tripartite commission, experts from the Russian Federation, Yugoslavia and the United Nations Centre for Human Settlements (Habitat) have made an assessment of the physical scale of the damage in Yugoslav population centres and the cost of reconstruction.

15. **Saudi Arabia** provided the following information on its assistance to the affected countries in the Balkan region. In the case of Bosnia and Herzegovina, assistance from the Government of Saudi Arabia totalled $151.7 million, including $96.7 million provided in the form of official grants and $55 million as low-interest loans from the Saudi Development Fund. Official assistance to refugees in Albania and the former Yugoslav Republic of Macedonia exceeded $44.5 million, including some $30 million channelled through the Saudi Development Fund to finance reconstruction projects. In addition, contributions by non-governmental organizations of Saudi Arabia

amounted to $402 million for Bosnia and Herzegovina and $76.6 million for refugees in Albania and the former Yugoslav Republic of Macedonia. Moreover, grant aid worth over $1 million was provided to Albania; and a royal decree was issued on 3 March 2000 to send a delegation from the Saudi Development Fund to Albania to identify specific projects for further study and potential financing by the Fund.

16. **Switzerland** has actively participated in the Stability Pact for South-Eastern Europe and numerous initiatives, not only in the field of economic development, but also in the areas of democratization and human rights, as well as security of the region. In this context, Switzerland has reviewed its economic policy towards South-Eastern Europe and has intensified its economic assistance to the region. The Swiss strategy of economic assistance to the Balkans includes the following main elements:

(a) Improvement of trade relations and the promotion of trade. The objective is to facilitate access to markets and establish, in the medium term, stable contractual trade relations. These measures will be accompanied by assistance in the field of trade promotion. To this end, Switzerland actively contributes to the work of the Working Group on Trade Facilitation and Liberalization within Working Table II of the Stability Pact, which aims, first of all, at simplifying and harmonizing free trade agreements among the participating countries and removing non-tariff barriers;

(b) Private-sector development and the promotion of foreign direct investment. Priority is given to the establishment of a stable and liberal framework for the development of the private sector and the attraction of foreign direct investment. Direct support is provided to individual private-sector activities through assistance to small and medium-size enterprises and participation in regional venture capital funds. Switzerland is engaged in the investment compact project team, has contributed to the Balkans Enterprise Facility and will take part in the Trans-Balkan Small and Medium-Size Enterprise Equity Fund;

(c) Financial assistance to infrastructure projects. The objective is to intensify financing for infrastructure development and increase, where possible, the speed of implementation, in order to facilitate regional exchanges. Priority is given to projects in the domain of energy, water/sewage treatment, and telecommunication. Within the so-called "quick start package" of the Stability Pact, Switzerland is contributing to the municipal action programme in the former Yugoslav Republic of Macedonia and the third electric power project in Bosnia and Herzegovina;

(d) Macroeconomic support for the implementation of urgent economic reforms. The Swiss involvement in balance-of-payment support and budgetary assistance to the countries of the region is linked to the implementation of structural adjustment and economic reform programme supported by the International Monetary Fund (IMF) and the World Bank within a longer-term economic policy dialogue with and assistance to these countries.

17. Switzerland is also heavily involved in the efforts for economic reconstruction and rehabilitation of the infrastructure in Kosovo. Overall, Swiss economic assistance provided to South-Eastern Europe in 1999 amounted to about 43 million Swiss francs. This includes emergency assistance provided, mostly in the form of balance-of-payment support, to compensate for the impacts of the Kosovo crisis, and constitutes a substantial increase compared with the previous years. Swiss economic assistance to the region will presumably remain at that level or will be even higher in 2000 and the coming years. The Swiss contribution to the international efforts within the Stability Pact for South-Eastern Europe will be linked to the readiness of the countries of the region to engage in effective political, social and economic reforms, as well as the process of regional cooperation.

18. **Ukraine** states that it has incurred and is continuing to incur considerable economic losses as a result of the adverse effects associated with the developments in the Balkans, and above all with the extremely severe repercussion of the Kosovo conflict on trade and economic relations in the region and on navigation along the Danube. As the Ukrainian economy has been opening out increasingly to foreign, including European, markets, it has at the same time been particularly vulnerable to external shocks. The losses resulting from the Kosovo conflict exacerbated the economic problems associated with the Russian and Asian financial crises of 1997-1998, and also with the consequences of the protracted economic sanctions imposed by the Security Council on Yugoslavia from 1992 to 1996. As a result of the aerial bombardments by the North Atlantic Treaty Organization (NATO),

commercial shipping was halted on an extensive section of the Danube. The restricted navigation along the Danube brought to a standstill the work of Ukraine's shipping companies which used to transport cargoes along this important international waterway. The Ukrainian companies which suffered the heaviest losses as a result of the Security Council sanctions and of the NATO military action include the Ukrainian Danube Shipping Company, the maritime ports of Izmayil, Ust-Dunaysk and Reni, the Izmayil ship repair yards, the Kiliya shipbuilding and repair yards, and the joint stock shipping company Ukrrechflot.

19. For the Ukrainian Danube Shipping Company alone, the actual losses resulting from the application of the sanctions regime against Yugoslavia amounted to $440 million, not including lost business. Unfortunately, Ukraine did not receive the special economic assistance from the international financial institutions and donor countries that it was entitled to expect in accordance with the relevant General Assembly resolutions. Moreover, the military action in the Balkans in 1999 gave rise to economic losses resulting from the interruption of transit navigation along the Danube. The Ukrainian Danube Shipping Company alone incurred losses amounting to $110 million, and the total losses of all Ukrainian companies operating on the Danube amounted to $125 million. As of now, the Ukrainian Danube Shipping Company is losing $300,000 a day. The transportation of a total of 4.5 million tons of ores, pellets, fertilizers and metal to companies in Austria and Hungary has been halted. The traditional transit of cargoes from Austria, Germany, Hungary, Slovakia and other countries has come to a complete standstill. As a result of the change in flows of goods and incomplete fulfilment of contracts, companies in Ukraine's mining and extracting industry have also incurred considerable losses.

20. At present the financing of operations to clear the navigation channel of the Danube in Yugoslavia and resume shipping is an acute problem, while the financial situation of Ukrainian shipping companies in the Danube region is continuing to deteriorate. Without urgent financial help they will be forced to resort to extreme measures of reducing the size of their workforces, which will lead to an aggravation of social tension in the region. Moreover, these companies have unmet financial obligations to banks, and lack the working capital needed to perform repair work and build new ships. The Verkhovna Rada (Parliament) and Government of Ukraine have taken a number of decisive measures to stabilize the financial situation of the country's shipping companies, which have made it possible to avoid a complete shutdown of the work of the Ukrainian Danube Shipping Company, Ukrrechflot, and the Izmayil, Reni and Kiliya shipyards, which constitute the largest transport structure on the Danube and are the main employers in this region of Ukraine. In particular, almost all taxes for the period from 1 March to 1 July 1999 were written off for these companies, and they were exempted from the payment of excise duties and import tariffs on oil imports for their own needs up to the end of 1999. The total amount of debt relief and temporary tax concessions was 8.2 million hryvnas (about $1.5 million). Yet, this amount represents only 1.7 per cent of total losses (about $110 million).

21. The continued work of Ukraine's transport infrastructure on the Danube is directly dependent on the full resumption of navigation along the river. Even partial resumption will not make it possible to stabilize the situation, since the main customers of Ukrainian carriers and ports are located beyond the destroyed Yugoslav bridges, which have blocked the passage of vessels along the Danube. The dynamic of Ukraine's trade with the Balkan countries clearly demonstrates the substantial decline in volume in 1999 compared with the preceding period, amounting to up to 50 per cent in the case of Yugoslavia. As a result of the measures adopted, these indicators began to improve gradually during the first half of 2000.

22. Ukraine is pursuing a consistent policy of developing cooperation with the countries of the region, particularly within the Danube Commission's work to clear the navigation channel of the Danube, and other regional initiatives. At the same time, participation in this work requires considerable financial investment. In Ukraine's view, the countries of the region that have suffered losses as a result of the Kosovo conflict should be given preference with regard to participation in projects and tenders, including the provision of grants and special-purpose concessional loans. Ukraine believes that at present the international community is not prepared to take adequate measures to mitigate the unforeseen adverse consequences for third countries that are neighbours of a country in the territory of which Kosovo-type conflicts are taking place. Unfortunately, despite the decisions taken by the

General Assembly, Ukraine has not received assistance or support from States and relevant international organizations in its efforts to overcome the negative consequences of the recent events in the Balkans. Ukraine would welcome the adoption by the international community of effective measures whereby affected countries, including Ukraine, would be afforded broader opportunities for active participation in post-conflict reconstruction, and the restoration and development of damaged infrastructure in the territory of the conflict. Ukraine is particularly interested in participating in specific projects developed within the framework of the regional initiatives, in particular the practical implementation of the Stability Pact for South-Eastern Europe.

23. **Yugoslavia** submitted a detailed memorandum, entitled "The damage sustained by the Federal Republic of Yugoslavia due to the dismemberment of the former Socialist Federal Republic of Yugoslavia, United Nations and European Union sanctions and the NATO aggression". In abstract, it stated that, owing to the recurrent problems, the Yugoslav economy had performed over the past 10 years at the level 50 per cent lower than that in 1991. Overall, the secession of the republics of the former Socialist Federal Republic of Yugoslavia (1991-1992), the Security Council sanctions (1992-1996), the sanctions of the EU (since 1998) and the NATO aggression (1999) adversely affected the country's prospects for economic growth and development, the living standards of the population, the realization of the basic human rights, the income levels and social benefits, the environmental situation, the scientific and technological potential, as well as its external economic relations and participation in international organizations and institutions. All those factors accounted for the drastic fall of the gross national product per capita from $2,735 in 1990 to $1,300 in 1999.

24. More specifically, the memorandum asserted that the sanctions had drastically affected various sectors of the Yugoslav economy in a variety of ways: the share of industrial production in the gross national product fell from 43 to 35 per cent; the overall volume of foreign trade diminished by 63.9 per cent (exports by 74.2 per cent and imports by 55.8 per cent); the use of capacities in the food processing industry dropped by 40 per cent; and the value of agricultural exports plummeted by 60 per cent. The rigorous embargo on oil and oil products accounted for a deficient use of refineries and the resultant fuel and power shortages caused interruptions in economic activities and created problems in transport traffic, impeding the delivery of goods and services and the heating of schools, hospitals, public institutions and private homes. Under the sanctions regime, Yugoslav planes and ships were seized and the overall volume of cargo transported on Yugoslav freighters diminished by more than 80 per cent. The volume of services in passenger traffic diminished by 55 per cent and in cargo haulage by 67 per cent. The dearth of financial resources decelerated infrastructure maintenance and construction dynamics. The sanctions also accounted for the technological superannuation of the Yugoslav economy and the loss of competitiveness of Yugoslav companies on the world market, as well as the fall of foreign exchange revenues and the rise of unemployment.

25. The memorandum stated that, apart from the loss of human lives, the NATO aggression against Yugoslavia from 24 March to 9 June 1999 brought about a drastic deterioration of the country's economic situation and severe humanitarian and environmental consequences. The infrastructure, the manufacturing industries, especially metallurgical and metal-processing sectors, oil refineries and chemical and tobacco industries were hardly hit. The listing of destroyed or heavily damaged facilities included: 42 energy generating plants and transmission installations (oil refineries, fuel depots, transformer substations); 64 telecommunication and broadcasting centres; 66 road and railroad bridges, primarily on the main transport routes; 32 agricultural complexes; 23 hits on railroad tracks and stations; 8 airports; 309 schools (306 damaged, 3 destroyed); 28 administrative buildings; 23 clinics and hospitals; 85 Orthodox Christian churches, monasteries and other shrines.

26. In particular, the memorandum highlighted the destruction inflicted by the air strikes on the oil and gas industries, the pivotal sectors in providing energy and electric power to the economy and the population, as well as the damage to the infrastructure systems, of both national and regional significance. For example, the disruption of road and railroad traffic on many international transit routes adversely affected the overall transit traffic through Yugoslavia and caused a sharp decline in the volume of the transportation of goods. With the destruction of five and the damage to three bridges over the Danube, the navigation on the

Yugoslav part of this important European waterway came to a complete halt. Apart from the loss sustained by the Yugoslav economy, enormous material damage was caused to the economies of many other Danube-riparian countries, in view of the fact that annual shipment of goods on the Danube had amounted to 80 million tons. Several facilities of the Yugoslav telecommunication network were destroyed (e.g., television centres in Belgrade and Novi Sad), while the destruction of the Danube bridges at Novi Sad accounted for the severance of optical and co-axial cables for international telephone traffic.

27. According to the estimates contained in the memorandum, the overall damage in the territory of Yugoslavia due to the NATO aggression (direct and indirect damage and damage done to physical persons) amounted to over $100 billion. At the same time, a negative economic growth of -23.2 per cent was registered in 1999, as well as a fall of the national per capita income from $1,742 in 1998 to $1,338 in 1999. The destruction of industrial capacities and transport facilities accounted for a low level of Yugoslav trade in 1999, following the decline of the overall turnover by 36.5 per cent and of the values of exports and imports, respectively, by 46.9 per cent and 30.3 per cent, compared to 1998. Although the trade deficit was reduced by 6 per cent, the share of import covered by export decreased from 59.6 per cent in 1998 to 45.4 per cent in 1999.

28. With reference to the analysis by the Economic Commission for Europe,[3] the memorandum concluded that the goals of reconstruction and development of South-Eastern Europe could not be attained short of the inclusion of Yugoslavia into the scope of the international assistance efforts, including humanitarian assistance as well as strategic reconstruction and development projects supported by the resources of international financial institutions, such as IMF and the World Bank. This would require that all remaining sanctions be lifted immediately and that Yugoslavia be enabled to return to the system of international organizations and financial institutions. In turn, this would help Yugoslavia to alleviate the enormous burden of mobilizing and investing its own scarce resources in the reconstruction of the country.

B. Response of the United Nations system

29. At 25 October 2000, a total of 19 organizations, programmes and funds of the United Nations system had provided information on their activities in South-Eastern Europe. The replies received indicate that all the relevant components of the United Nations system recognize the special economic problems and needs of the Balkan region and continue to provide support and assistance to the affected countries. In many instances, the reported activities went beyond the scope of special economic assistance provided to the countries affected by the situation in the Balkans during the reporting period and, therefore, are not fully reflected in the following section of the report.

Specialized agencies and related organizations

30. The **International Labour Organization (ILO)** has continued to provide assistance to the affected States through its advisory services and technical cooperation programmes carried out at the regional and country levels. The principal role of ILO in the Balkans, and more specifically in Kosovo, is to provide advice on legislation and render support for the institution-building process in the areas of the organization's four strategic objectives: (a) promote and realize fundamental principles and rights at work; (b) create greater opportunities for women and men to secure decent employment and income; (c) enhance the coverage and effectiveness of social protection for all; and (d) strengthen tripartism and social dialogue.

31. In response to the situation of the conflict-affected countries of South-Eastern Europe, ILO, in cooperation with the Government of Bulgaria, organized at Sofia in October 1999 a high-level tripartite conference on employment, labour and social policy in South-Eastern Europe, which brought together the Ministers of Labour and Social Affairs and the leaders of the social partners of the countries of the region. The participants adopted the Sofia Declaration, which was designed to reinforce the social dimension in the implementation of the Stability Pact for South-Eastern Europe. It was stressed that the countries of the region were the owners of the stabilization process and their full commitment to and engagement in that process were critical to its success.

32. In all the affected countries of the Balkan region, ILO has been active in the following areas:

(a) furthering a tripartite approach to economic, industrial and social restructuring at the national and local levels; (b) assisting the reforms of social security and social protection systems; (c) monitoring labour market developments and promoting active employment policies; (d) supporting small and medium-size enterprises, particularly through a project entitled "Start and Improve Your Business"; (e) implementing the employment-intensive infrastructure projects; (f) providing advice on wages and income policies; and (g) developing urban poverty partnership programmes.

33. In the wake of the Kosovo crisis, ILO set up a Balkan task force, with a support unit in Pristina, which is responsible for developing assistance projects for Kosovo. To date, eight projects have been elaborated and submitted to potential donors for funding. They cover such areas as: (a) emergency employment creation through labour-intensive methods; (b) vocational training and promotion of small and medium-size enterprises, including retraining of returnees and ex-combatants, microfinance and local economic development; (c) labour market assessment and rapid data collection; (d) social protection schemes, including social security, social assistance and social safety nets; and (e) institutional capacity-building, promotion of social dialogue, reconciliation and social healing and an appropriate labour law framework. By mid-2000, the following three projects were under way: a project to establish a network of vocational training centres in Kosovo; the project to start and improve a business, for the development of small and medium-size enterprises; and a project to prepare a social assistance programme targeting vulnerable groups of the population.

34. The **Food and Agriculture Organization of the United Nations (FAO)** has provided emergency assistance to the agricultural sector in the Balkans since 1994, starting in Bosnia and Herzegovina, where some 22 emergency projects were implemented to distribute inputs to war-affected farmers, for a total amount of $19.5 million. FAO emergency activities in the Balkans resumed in the spring of 1999 to respond to the onset of the Kosovo crisis. In Albania and the former Yugoslav Republic of Macedonia, projects were carried out to assist the families hosting refugees from Kosovo with seed, fertilizer and animal feed, and to provide advice and technical support to the Ministry of Agriculture. The FAO technical cooperation programme contributed $787,200 to co-fund, together with bilateral donors ($882,000), four emergency projects in Albania, and provided $707,000 towards the implementation of two emergency projects in the former Yugoslav Republic of Macedonia.

35. As from July 1999, FAO has expanded its operations in Kosovo to assist conflict-affected residents and returnees. Some 18 projects have been carried out (four already completed), for a total amount of $14 million, covering the coordination of emergency agricultural activities, distribution of basic agricultural inputs to about 70,000 most vulnerable families, emergency livestock vaccination, re-establishment of a seed control laboratory and seed multiplication capacity. In addition, activities are under way to support the transition from emergency relief to rehabilitation and development, including support for the repair of farm machinery, the rehabilitation of the forestry sector and establishment of a food security surveillance system. Funding for these projects and activities have been drawn largely from bilateral donors. Within the short- and medium-term programme for reconstruction and recovery in Kosovo ($2.34 billion), prepared in November 1999, the total external financing requirements for the agricultural sector were estimated at $235 million, including $8 million for the winter of 1999/00, $86 million for April-December 2000 and $141 million for the second phase reconstruction (2001-2004). Since July 2000, FAO has been engaged in implementing a project in Kosovo funded by the World Bank on emergency farm reconstruction for $11.5 million, covering the distribution of cattle and new tractors, the provision of veterinary and repair services, the restoration of a central veterinary diagnostic laboratory and artificial insemination centre, as well as agricultural policy assistance to the transitional authorities.

36. Although FAO has not yet implemented assistance programmes in Serbia and Montenegro, two needs assessment missions were dispatched in April and June 2000 and project proposals were formulated to respond to emergency requirements in the agricultural sector. Priority assistance has been identified for vulnerable groups of the population, including displaced persons and small-scale farmers, particularly in the areas of seed, fertilizer and animal feed supply. In Romania, three emergency projects financed by the FAO technical assistance programme were carried out in 1999 to assist the Government in

coping with the effects of floods ($679,000) and a forest infestation by the gypsy moth ($365,000). In the former Yugoslav Republic of Macedonia, FAO has been involved in preparing and implementing three recovery projects funded by the World Bank: an irrigation rehabilitation project; a private farm support project; and a private sector development project.

37. In addition to emergency relief, FAO has provided rehabilitation and development assistance to the affected countries of the region. In 1996-1999, reconstruction support for agriculture in Bosnia and Herzegovina amounted to $43 million in terms of completed agricultural projects, while total disbursements are expected to reach $113 million, including $70 million for ongoing projects. FAO has assisted the Government in formulating and implementing two projects in agriculture financed by the World Bank: the completed emergency farm reconstruction project and the ongoing forestry sector reconstruction project. In 1998, FAO financed the formulation of a medium-term agriculture sector strategy for Bosnia and Herzegovina ($396,000), which involved both entities, was well received by the donor community and is expected to be approved by Parliament.

38. In Croatia, FAO assisted in the formulation of projects for three World Bank loans: an emergency farm reconstruction project ($25 million), an Eastern Slavonia reconstruction project ($67.3 million, of which $40.6 million is the Bank's credit) and a coastal forestry project, covering areas around Dubrovnik, Zadar and Split ($63.7 million, of which $42 million comes from the Bank's loan). In addition, FAO formulated a strategy for sustainable agricultural development, which led to the preparation and financing of a private farmers support services project ($30 million, 57 per cent of which is financed by a World Bank loan) and a project to support the construction of wholesale markets in the cities of Zagreb, Osijek and Rijeka ($39.6 million, 49 per cent of which is to be financed by an EBRD loan).

39. In defining its future activities in the Balkan region, FAO intends to give particular attention to assisting the affected countries in their efforts to move from emergency measures to rehabilitation and development, and to carry out reforms in their agricultural sectors. These will include policy advice and technical assistance for establishing market mechanisms and institutions to increase agricultural production and productivity as well as to promote social inclusion and cohesion, in accordance with the Stability Pact for South-Eastern Europe. In this context, FAO will assist Governments in the region in identifying investment priorities and in formulating project proposals aimed at a sustainable reconstruction and development of the agricultural and rural sectors. To this end, FAO will continue its close collaboration with the development partners involved in the Stability Pact.

40. The **United Nations Educational, Scientific and Cultural Organization** (UNESCO) has provided technical assistance to the Balkan countries in all the main areas of its work. In the field of education, relevant activities include: (a) an international conference on the topic of "disarming history" (Visby, Sweden, September 1999), which focused on combating stereotypes and prejudice in the history textbooks of South-Eastern Europe, and which featured a round table on revisiting the Balkans and looking at South-Eastern Europe through literature and art, organized in collaboration with the UNESCO-supported Balkan Centre for Writers and Translators; (b) an international conference on educational cooperation for peace, stability and democracy in South-Eastern Europe (Sofia, 1999), at which UNESCO presented a position paper on the role of higher education in the region; (c) a meeting of associated schools in South-Eastern Europe on the subject of sport, youth, health and peace (Ptuj, Slovenia, May 2000), which led to a project on peaceful alternatives to conflict through education; (d) a project on international education and education for human rights in Albania ($340,000 provided by the Italian Government), which is aimed at promoting the production of unbiased textbooks in Albania to eliminate ethnic and gender discrimination at the primary and secondary levels, introducing the dimension of intercultural understanding, cooperation, peace, human rights and democracy in educational curricula and training teachers, curriculum designers, textbook writers and school administrators on the concepts and practices of human rights; and (e) a symposium on the curricula in Bosnia and Herzegovina (Sarajevo, February 2000), which was organized by UNESCO to address the serious situation concerning the segregation of pupils in schools on ethnic grounds.

41. In the area of science, the UNESCO office in Venice, Italy, initiated and implemented a series of

projects covering the Adriatic region, including Albania, Bosnia and Herzegovina, Croatia and Slovenia. These include: (a) a Mediterranean network on science and technology of advanced polymer-based materials; (b) a pilot project on urban development and freshwater resources in small coastal cities, in the city of Ornisalj on Krk Island, Croatia, which aims at elaborating general guidelines for the sustainable development of coastal cities, with a particular emphasis on cultural heritage, water management and tourism development, and which may be extended to other countries of the Adriatic region; and (c) an international forum for reflections on the role of science and education in socio-economic development of humanities (Bled, Slovenia). In conjunction with the World Conference on Science, high-level officials from the Balkan countries took part in several regional events, including a meeting of ministers and senior officials responsible for science policies in Central and Eastern-European Countries (Budapest, Hungary, June 1999), a meeting of ministers and senior experts in science policy on European partnership in science (Paris, November 1999), and a workshop on European science and technology policy and the enlargement of EU (Venice, Italy, May 2000). UNESCO also provided short-term research grants in the field of bio-medical research and biotechnology, and sponsored numerous training activities for young specialists from several Balkan countries.

42. In the field of cultural heritage, UNESCO dispatched several assessment missions to Dubrovnik, Croatia, and offered its assistance for the restoration of the damaged roofs of the Old Town. Within the framework of the Dayton Commission, established in accordance with annex VIII to the 1995 General Framework Agreement for Peace in Bosnia and Herzegovina (the Dayton Peace Agreement),[4] for the protection of national monuments in Bosnia and Herzegovina, more than 800 monuments have been documented and a new law on the protection of cultural heritage has been endorsed. UNESCO took part in launching a project for the rebuilding of the Old Bridge of Mostar, Bosnia and Herzegovina, and established an international committee of experts to provide the high-level expertise required for the reconstruction work. Under the World Heritage Fund's emergency assistance, a project concerning the World Heritage site of Butrinti, Albania ($100,000) is being implemented.

43. UNESCO has given priority to assisting the Balkan countries in building a strong, independent and democratic media, by providing infrastructure support, training and equipment for electronic media, distributing quality documentaries, films and children's programmes to television stations, as well as expertise to local governments. In cooperation with the World Association of Newspapers, UNESCO has assisted the private print press in Yugoslavia to create a distribution system for newspapers and weeklies.

44. In Kosovo, UNESCO has concentrated its efforts on the reconstruction of the education system, by providing the required staff and expertise to the United Nations Interim Administration Mission in Kosovo (UNMIK), dispatching missions of education experts to introduce civics and human rights into formal and non-formal education and to prepare strategic school mapping, as well as raising funds for donation of school materials and stationery. In addition, UNESCO has elaborated a number of assessments and project proposals for surveys of cultural heritage, archives, museums and libraries in Kosovo town centres (Pec, Djakovica, Prizren and Pristina) for both emergency interventions and inclusion in the reconstruction, restoration and development efforts.

45. The **World Bank** has continued and reinforced active lending programmes in all its member States in the Balkan region. In the immediate aftermath of the Kosovo crisis, the Bank's activities were focused on providing emergency aid to relieve the suffering of a large number of refugees, and ensuring adequate external financing for the neighbouring countries most severely affected by the crisis. Subsequently, as the most urgent needs resulting from the Kosovo crisis have been met, the focus has shifted to the longer-term objectives of supporting reconstruction and development efforts in South-Eastern Europe. The Bank has contributed to these objectives through its role in donor coordination, particularly within the framework of the Stability Pact for South-Eastern Europe, selective financial support, and regional initiatives. In addition, the World Bank, in close collaboration with IMF, has been providing policy advice to UNMIK in the areas of economic management, including fiscal management, trade, banking and private sector development, as well as overall economic and social assessments.

46. In October 1999, the World Bank adopted a transitional support strategy for Kosovo and

established the Trust Fund for Kosovo, with an initial allocation of $25 million from the Bank's 1999 net income. In September 2000, an additional $35 million was allocated from the 2000 net income. Within the Trust Fund, the Bank has financed the following operations: (a) an economic assistance grant ($5 million) to support the UNMIK programme for the creation of an effective budget management system and the establishment of an effective bank licensing and supervision capability; (b) an education and health project ($4.4 million) to improve efficiency and equity of public resource allocation in these sectors; (c) an emergency farm reconstruction project ($10.6 million), which was developed jointly with FAO and which is co-financed by the Government of the Netherlands, to help restart agricultural production over the next two to three cropping seasons, and support investment in farm assets and agricultural services; and (d) a pilot project implemented jointly with the European Agency for Reconstruction, to provide small and medium-size enterprise line of credit ($5 million) for the private sector. Additional projects are under development in the areas of support for economic reforms and institution-building, and sustainable sector policies and institutions linked to the rehabilitation of infrastructure, consistent with the transitional support strategy for Kosovo. In addition, using the resources of the Post-Conflict Fund ($2 million), the Bank provided urgent support on a grant basis for recurrent expenditures in health and education (mostly salaries of teachers and health workers), and established a pilot community development fund that provides grants for priority community investments in areas with high incidence of poverty and conflict-related damage. Moreover, the International Finance Corporation (IFC) has contributed to establishing the Micro Enterprise Bank, the first bank that was licensed in Kosovo following the conflict. The Multilateral Investment Guarantee Agency has been exploring the possibility of establishing a trust fund for Kosovo to issue guarantees against the risks of transfer restriction, expropriations, war and civil disturbances, and breach of contract.

47. In the neighbouring countries, the World Bank launched emergency efforts and prepared "quick start" assistance packages for Albania and the former Yugoslav Republic of Macedonia, the two countries that were most severely affected by the Kosovo crisis as a result of large numbers of refugees, and also by disruptions in trade, transport and foreign investment. In addition, the Bank has heightened its development efforts in Bosnia and Herzegovina, Bulgaria, Croatia and Romania, which have also experienced disruptions in trade and transport, reduced confidence of foreign investors and lower tourism flows. In financial years 1998 and 1999, the Bank's concessional and market-based lending to South-Eastern Europe totalled $1.4 billion.

48. In Albania, the Bank's response included the following activities: (a) public expenditure support credit ($30 million) to relieve immediate budgetary pressures ensuing from the inflow of refugees; (b) an increase in the amount of the structural adjustment credit (from $20 million to $45 million) to provide additional quick-disbursing support; (c) supplemental credit to the community works project ($5 million) to provide services to areas affected by the inflow of refugees; and (d) an emergency road repair project ($13.7 million) and water supply urgent rehabilitation ($10 million) to address post-conflict needs in these sectors. In addition, using the resources of the Post-Conflict Fund ($1.5 million), the Bank provided a grant to finance aid and services to Kosovar refugees and to the local population in affected areas. In the former Yugoslav Republic of Macedonia, the Bank provided an economic recovery credit ($50 million) and a social support credit ($10 million), as well as a post-conflict grant ($1 million), to help mitigate the economic and social costs of the inflow of Kosovar refugees.

49. Under article 41 of the Stability Pact for South-Eastern Europe, the World Bank and the European Commission are responsible for coordinating a comprehensive approach to regional development and the donor conferences to secure needed external financing. In this context, the World Bank, working in close consultation with other partners, has prepared a comprehensive regional strategy paper on the road to stability and prosperity in South-Eastern Europe. The regional strategy paper concluded that a concerted effort of the countries of the region to implement deeper and more consistent reforms, alongside the efforts of the international community to integrate those countries into European and global structures and to provide assistance in key areas, offered the best hope for achieving peace, stability and prosperity throughout South-Eastern Europe. The strategy outlined the following four critical areas for priority action within the region: (a) trade integration with EU and enhanced intra-regional trade; (b) creating an enabling business environment for private sector development; (c)

fostering social cohesion; (d) improving institutional capacity and governance structures; and (e) investing in regional infrastructure development, including environmental protection.

50. Although the World Bank provides loans to Governments on a country basis, three regional initiatives have been launched, in cooperation with other donors, to reinforce the objectives of achieving lasting peace, increased prosperity, and poverty reduction for all people living in South-Eastern Europe. First, a project for trade and transport facilitation in South-Eastern Europe (total cost $115 million) aims at reducing trade and transport costs in the region, curbing the incidence of smuggling and corruption at border crossings, and strengthening regional partnerships and expanding regional trade. Second, the Balkan Enterprise Facility will support Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia and, to the extent possible, Kosovo, in developing the private sector. It is expected that the private sector in these countries, which is mainly composed of small and medium-size enterprises, will be the driving force for sustainable income and growth in the region. The Facility will address the constraints faced by enterprises in the region in the overall business environment, managerial and technical skills and access to knowledge and information. Third, the social development initiative for South-Eastern Europe aims at providing the countries of the region and the donor community with improved capacity to carry out social analysis and develop projects to address inter-ethnic tensions and social cohesion issues. The initiative will support Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Romania, the former Yugoslav Republic of Macedonia and Kosovo. In addition, the World Bank supports other Stability Pact activities, such as the investment compact, the anti-corruption initiative, the working group on trade liberalization and facilitation and the labour redeployment projects.

51. The **International Monetary Fund (IMF)** has continued to provide financial and technical support to the six Balkan States that have been considerably affected by the adverse developments in the region — Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Romania and the former Yugoslav Republic of Macedonia. IMF assistance is part of an ongoing effort to promote stable macroeconomic environments and structural reforms in these countries. Since 1991, total disbursements to these six States have amounted to about $4.6 billion under various IMF facilities. The Fund's financial assistance takes into account, inter alia, the strength of the countries' economic policies and their balance-of-payments needs, including estimates of the adverse effects of the sanctions imposed on Yugoslavia and of the conflict situations in the Balkans. For example, IMF intensified its financial assistance to Albania, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia in the wake of the 1999 conflict in Kosovo. These three countries are also eligible for concessional financing under the IMF Poverty Reduction and Growth Facility. Relatedly, Albania prepared an interim poverty reduction strategy paper that has been reviewed by the Executive Boards of the IMF and the World Bank.

52. At July 2000, IMF had active financial arrangements with four of the six affected States (Albania, Bosnia and Herzegovina, Bulgaria and Romania) and was in close discussions about possible arrangements with the other two States (Croatia and the former Yugoslav Republic of Macedonia). IMF also continues to provide advice and technical assistance to other States that have been affected by the developments in the Balkans, including Hungary, the Republic of Moldova and Ukraine. In the case of Ukraine, IMF approved in 1998 an extended arrangement in the amount of about $2.2 billion. At present, discussions are under way in the context of the fourth review of that arrangement.

53. In the aftermath of the Kosovo crisis, IMF has been providing extensive technical assistance to Kosovo, most notably in the fields of budgetary and payments systems. This assistance has helped to establish effective taxation and a well-functioning central fiscal agency, mobilize budgetary payments, and put in place the framework for the regeneration of the banking system. In addition, IMF participates in the Stability Pact for South-Eastern Europe and other regional forums to help coordinate donor support and economic policy advice to the countries of the region. In this context, the Fund prepares regular regional macroeconomic assessments and projections of external financing needs.

54. The **International Maritime Organization (IMO)** has taken note of the special economic problems confronting the Eastern European States affected by the developments in the Balkans. In this connection, IMO reported that nationals from those

States had been admitted to the IMO International Maritime Academy, the World Maritime University and the IMO International Maritime Law Institute, providing specialized short-term courses and postgraduate education in such areas as maritime administration, maritime education and training, maritime management, maritime safety and environmental protection, port management and shipping management, and training for maritime lawyers. Moreover, the IMO integrated technical cooperation programme pursues institutional and capacity-building in the region through technical advisory missions, and through the following regional projects: (a) a regional plan for the cooperation of Maritime Search and Rescue and the Global Maritime Distress and Safety System, Black Sea; (b) development of port State control capability in the Black Sea countries; and (c) contingency planning in the Black Sea region.

55. The **United Nations Industrial Development Organization (UNIDO)** has provided development support and technical assistance to the Eastern European States affected by the developments in the Balkans, focusing on such areas of the organization's competence as industrial governance and restructuring, enhancing industrial competitiveness and entrepreneurship, investment and technology promotion for sustainable industrial development. The strategy of UNIDO in post-conflict economies of the Balkan region is based on its own experience suggesting that the most effective impact can be achieved by commencing support for economic, employment and environmental dimensions of the reconstruction process at the same time with the humanitarian assistance and emergency relief efforts, in order to ensure the smoothest possible transition to sustainable industrial development. In the most seriously affected countries of the region, Albania, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia, UNIDO will concentrate on selected core competencies and service modules, including support for the establishment of business development centres, the creation of small and medium-size enterprises, the introduction of cleaner production techniques and technologies as well as those related to waste management, with particular emphasis on institutional capacity-building and industrial governance.

56. The **World Tourism Organization (WTO)** carried out a survey to determine the likely impact of the 1999 Kosovo conflict on the year's tourism results, particularly in the member States of WTO affected by the developments in the Balkans. Following an informal special meeting on the issue of the WTO Commission for Europe (Prague, May 1999), WTO offered technical assistance to interested countries of the region in organizing promotional campaigns and media briefings to restore confidence of the travelling public. In October 1999, WTO organized a seminar at Varna, Bulgaria, on the route of the monasteries and alternative forms of tourism to assist the Balkan countries in developing a broader range of tourist attractions designed to appeal to market segments less sensitive to political events in the region. In the fall of 1999, WTO executed a project funded by the United Nations Development Programme (UNDP) to prepare a national tourism development strategy for the Republic of Moldova, with emphasis on capacity-building and sustainable ecotourism development of that country's natural areas. Although other countries of the region have also indicated that WTO assistance in tourism development could help them to alleviate their special economic problems stemming from the developments in the Balkans, UNDP resources earmarked for tourism sectoral reconstruction in this region remain scarce.

United Nations programmes and funds

57. The **United Nations Conference on Trade and Development (UNCTAD)** continued to provide technical assistance to several affected countries in the areas of trade facilitation, investment promotion, transport services and training. Within the UNCTAD Global Trade Point Network, national trade points have been established in Bulgaria, Hungary, Romania, Slovakia and Slovenia, with a view to enhancing their participation in international trade, reducing transaction costs and promoting better trade practices. The UNCTAD Automated System for Customs Data has been installed in Bulgaria, Hungary, Romania, Slovakia and the former Yugoslav Republic of Macedonia. Proposals for similar customs management projects are being finalized for Albania and Bosnia and Herzegovina, including the approval of funding agreements. Recent examples under the UNCTAD technical assistance project on market access, trade laws and preferences include assistance to Slovakia through the publication of a handbook on the Generalized System of Preferences (GSP) and support

to Ukraine to organize a national workshop on GSP rules of origin. UNCTAD also provides technical assistance and advisory services to the Government of the former Yugoslav Republic of Macedonia in the process of accession to the World Trade Organization. In addition, UNCTAD is carrying out an extensive training project in Romania to reinforce the country's capacities in the external trade sector.

58. In the area of investment promotion, UNCTAD provided advisory and training services to Albania, including support for the 1999 international investment conference at Tirana, and organized several rounds of bilateral investment treaty negotiations, during which Croatia negotiated such agreements with seven countries. In 1999, UNCTAD organized at Sinaia, Romania, a working group meeting of the leading accounting and audit associations in South-Eastern Europe to explore regional accounting reform proposals. As a result, the South-Eastern European Partnership on Accountancy Development was created for the purpose of assisting countries of the region in establishing sound corporate governance, financial disclosure and accounting regimes. In follow-up of the South-Eastern European Partnership on Accountancy Development initiative, two further meetings were held in 2000, at Sofia, and at Banja Luka, Bosnia and Herzegovina, to discuss the issues of developing legal and regulatory frameworks for accountancy, and education and certification programmes for accountants and auditors. In addition, the UNCTAD software package, the Debt Management and Financial Analysis System, is being implemented in Albania, the Republic of Moldova, Romania, the former Yugoslav Republic of Macedonia and Ukraine.

59. In the transport sector, the UNCTAD Advance Cargo Information System (ACIS) provides a set of computer applications designed to produce management information to address multimodal cargo transit and transport resource problems (on rail, rivers, roads and at ports), with a view to achieving greater trade and transport efficiency. The ACIS rail module is being implemented in Bulgaria, while Hungary has expressed interest in implementing the ACIS river module along the Danube. Within the UNCTAD maritime trade and port management training network, national centres are operational in Georgia and Romania, with the expectation of creating a regional network for the Black Sea region. Also through this network, UNCTAD provided advisory services and study tours to officials in the port of Durres in Albania.

60. The **United Nations Development Programme (UNDP)** continued to provide support to the affected Eastern European countries both inside and outside the Balkan region. UNDP activities in those countries include support to post-humanitarian rehabilitation and socio-economic regeneration, as well as longer-term local and national capacity-building, promotion of good governance, democratization and economic reform, and development of productive facilities, including small and medium-size enterprises. In Albania, UNDP has supported programmes designed to promote recovery and stability through private sector development, institutional capacity-building, provision of social services, rehabilitation of infrastructure, direct humanitarian assistance, as well as income generation activities. For example, an area rehabilitation and recovery operation was designed to develop quick impact projects for vulnerable populations affected by the crisis. In collaboration with several donors, UNDP has supported civilian disarmament by providing development assistance in exchange for voluntary surrender of weapons. In 2000, UNDP took part in the coordination and organization of local elections.

61. In Bosnia and Herzegovina, UNDP was involved in several programmes designed to promote peace and reconciliation in various war-stricken parts of the country. Through a group of integrated, multisectoral and area-based development projects, UNDP has been supporting the reconstruction process, focusing on rebuilding local capacities, rehabilitating social infrastructure and regenerating productive activities. Notable examples include two projects in the north-western and central areas: rehabilitation and sustainable social development, which targets 12 northwestern municipalities, and social reconstruction assistance to Gorjni Vakuf. In partnership with the European Commission and the Governments of Japan and Germany, UNDP also supports three interlinked programmes for refugee resettlement and village employment and environment, which have directly benefited thousands of refugees by providing them with housing, labour-intensive employment, income-generation opportunities, legal advice and training through local means. The other two pillars of UNDP programme relate to (a) sectoral assistance projects in the areas of health care, education, agriculture,

vocational training, criminal justice and business development; and (b) policy advice to government institutions on economic transition, aid coordination, gender issues and demining areas. Institutional capacity-building at the central level will be particularly accentuated in the future.

62. In Bulgaria, UNDP has initiated a flagship project, "Beautiful Bulgaria", which is aimed at urban refurbishment and is co-financed by the European Commission and the Government. This project has been successful in promoting temporary and longer-term job creation, as well as providing vocational training to small enterprises and target groups of unemployed population, particularly among Bulgaria's ethnic minorities (Roma and Turks). In addition, UNDP is undertaking, together with the World Bank and the Government, a Regional Initiatives Fund pilot project, which will evolve into a national social investment fund. Employment generation activities led by UNDP that focus on repairing/installing water-supply systems and building roads are intended to benefit the populations hardest hit by Bulgaria's transition.

63. In Croatia, UNDP has targeted most of its resources to a multi-donor programme designed to create favourable conditions for the return of displaced persons to the war-torn areas of Sibenik county, Eastern Slavonia, Western Slavonia, Dalmatia and Knin/Lika. Based on the participatory development approach, the programme is intended to strengthen local capacities and community works in such areas as income generation, support to the most vulnerable segments of the population and rehabilitation of social infrastructure (for example, feeder roads, schools, water supply systems). To ensure coherence, UNDP provides the overall management and technical support to the programme, while the donors (Belgium, Sweden and the European Commission) generally fund preferred activities in specific areas.

64. In Romania, UNDP is supporting small and medium-size enterprises focusing on furniture and garment exports through business centres that provide advice on how to prepare a business plan, as well as in the areas of marketing and design. In addition, UNDP is supporting the Government's capacity to prevent and respond to national and international crises, through the establishment of an early warning system and training in conflict mediation and other techniques.

65. In the former Yugoslav Republic of Macedonia, UNDP helped mitigate the economic hardships caused by the Kosovo crisis, and is now fully involved in supporting the country's longer-term social and economic transition through a variety of interventions. In the area of sustainable development, UNDP has provided technical expertise for institutional capacity-building and policy development, as well as support to initiatives and projects for environmental protection, poverty alleviation and income generation. UNDP has been engaged, with the support of the Netherlands, in addressing the environmental situation in Veles, has expanded the public works clean and green programme, co-sponsored together with Norway, to all municipalities, and has taken part in the poverty reduction rehabilitation programme led by the World Bank.

66. In order to ensure a cohesive approach to the Balkans, UNDP has continued to support regional projects and activities in South-Eastern Europe. For example, UNDP sponsored a report on human security in South-Eastern Europe to provide a regional dimension to the various policy dialogues and options for decisions related to the post-conflict reconstruction of the region. In addition, UNDP supports a subregional early warning system for South-Eastern Europe based on national early warning reports from all Balkan States that monitor key economic, social, political, ethnic and religious indicators, with a view to providing timely signals of forthcoming crises or emergencies. The analysis of these indicators can be used by Governments and international organizations to identify the potential for violent conflicts, develop strategic responses to emergencies and present policy options to key decision-makers.

67. In addition, UNDP provides development support to the affected countries outside the Balkan region. In Hungary, UNDP is encouraging, through a national human development report, policy discussions on a variety of issues related to the country's transition process and accession to the European Union (EU). UNDP is also contributing to the national efforts to address regional and income disparities by supporting private sector development, as well as activities in the education sector targeted at the Roma (gypsy) population. In the Republic of Moldova, UNDP has been supporting private sector development by promoting small and medium-size enterprises, establishing business centres to advise potential

entrepreneurs, and by developing programmes in the area of trade and foreign investment promotion. In Ukraine, UNDP is supporting business development activities, with an emphasis on the creation of small and medium-size enterprises, credit unions and opportunities for women in business. In addition, vocational training was provided to entrepreneurs, through the implementation of modular skills-related training packages in 26 training centres. In collaboration with the United States of America, UNDP is supporting an analytical think-tank, which assists the Government in the formulation of policies and legislation on a variety of social and economic issues.

68. The **United Nations Environment Programme (UNEP)** has carried out a range of activities, both in the context of emergency humanitarian assistance, in a joint effort with the United Nations Centre for Human Settlements (Habitat) (UNCHS), and a longer-term support for environmental reconstruction of the Balkan region. In the wake of the Kosovo crisis, a joint UNEP/UNCHS Balkans Task Force (BTF) was set up to analyse the consequences of the military actions on the environment and human settlements in the region. In October 1999, BTF produced a report entitled "The Kosovo Conflict: Consequences for the Environment and Human Settlements". The report highlighted a number of important conclusions on the post-conflict situation in the area and, in particular, identified four heavily polluted environmental "hot spots" in Yugoslavia (Pancevo, Kragujevac, Novi Sad and Bor), for immediate humanitarian assistance. Following positive reactions from a number of Governments and international organizations, BTF carried out a detailed feasibility study to define the exact scientific and associated financial requirements for the humanitarian clean-up of the hot spots. In March 2000, an environmental clean-up project for the four "hot spots" was embraced by the Stability Pact for South-Eastern Europe and financial support was pledged by several donor countries. The total cost of humanitarian emergency projects to address all the issues raised in the four hot spot areas is estimated at $19 million, of which some $7 million has already been raised. In follow-up, UNEP will start a new pilot project of a normative nature, which will provide a blueprint of benchmark standards and operating procedures for future clean-up actions to alleviate the serious environmental damage in the Balkan region. With financial support from the Government of the Netherlands, UNEP carried out, in September 2000, environmental assessments in Albania and the former Yugoslav Republic of Macedonia. In addition, UNEP will dispatch a mission to Kosovo to assess the environmental effects of the use of depleted uranium during the conflict.

69. UNEP has been engaged in the implementation of the regional environmental reconstruction programme of the Stability Pact for South-Eastern Europe. Within the priority projects, adopted in July 2000, activities will focus on the following three areas: (a) development of national information systems, with the support of the UNEP Global Resource Information Database and the Regional Environmental Centre for Central and Eastern Europe; (b) support for ratification and implementation of multilateral environmental conventions, particularly the Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters and other biodiversity-related conventions; and (c) establishment of a regional biodiversity forum, development of a regional ecological network, and support of national biodiversity action plans.

70. The **United Nations Children's Fund (UNICEF)** reported that the rights of children living in several countries of the Balkan region had been severely compromised by repression, violence, displacement and economic recession. In the first half of 2000, the situation of children and women continued to be adversely affected by chronic economic problems, the consequences of the Kosovo crisis and international isolation of Serbia outside Kosovo. However, some improvement in the security situation in the region provided an environment conducive to the provision of increased assistance to the affected countries. Guided by the Convention on the Rights of the Child, UNICEF assisted local communities in establishing an environment where children's rights to survival, protection and development could be met.

71. During the refugee exodus from the province of Kosovo from March to June 1999, UNICEF assistance focused on refugee and displaced children and women in camps, collective centres and host families, while strengthening social sector infrastructure and services in the areas receiving refugees and displaced persons. UNICEF promoted the creation of child friendly environments, providing adequate facilities for children's educational and recreational development

and their psychosocial recovery, and supported health care. While providing humanitarian assistance in refugee receiving areas, UNICEF prepared for similar activities in Kosovo to support refugees after their return. In the aftermath of the Kosovo crisis, UNICEF adopted a two-pronged approach: essential and life-saving relief assistance was provided to children and women, while simultaneously supporting the rehabilitation and reactivation of basic health, education and social services. In the areas hosting refugees and displaced persons, UNICEF continued to provide relief aid, educational supplies, psychosocial services and health care to children and women. UNICEF also responded to the needs of those who remained in Kosovo.

72. In the war-affected countries of the Balkan region, UNICEF continued to support reconstruction and development efforts. In Bosnia and Herzegovina and in Yugoslavia, excluding Kosovo, UNICEF supported ongoing efforts to revive weakened social services and strengthen national capacities to provide for the humanitarian and longer-term development needs of children and women. In Croatia, UNICEF continued its successful efforts to build project sustainability with a view to handing over responsibilities to national partners.

73. The **United Nations Population Fund (UNFPA)** has continued to provide support to the Eastern European States affected by the developments in the Balkans, with a view to assisting national efforts to provide comprehensive reproductive health information and services, including family planning and sexual health, to women, men and adolescents. At the country level, UNFPA has followed a two-pronged approach: providing emergency humanitarian relief and supporting national rehabilitation and development efforts. At the outbreak of the Kosovo crisis, UNFPA focused on meeting the urgent humanitarian needs of refugee women, through provision of emergency reproductive health kits and other basic equipment and supplies to refugee camps in Albania and the former Yugoslav Republic of Macedonia, and to maternity hospitals throughout Albania. The Fund's strategy was to work through local health systems, in order to meet the urgent needs of refugees, while at the same time strengthening national capacities.

74. Following the emergency operations in the Balkans, UNFPA resumed its focus on support for rehabilitation and development efforts in the region. In Bosnia and Herzegovina, UNFPA activities in 1999 concentrated on supporting capacity-building efforts in the area of reproductive health and family planning in both entities of the country, including a new project on reproductive health education through youth peer counselling. In Bulgaria, a comprehensive reproductive health project was approved in early 2000 to contribute to the 1999-2001 implementation phase of the health reform, enhance reproductive health care services and education, including those of adolescents and the Roma population, and improve fertility statistics and contraceptive logistics. In Romania, UNFPA supported a number of activities, primarily the 1997-1999 projects on a national family planning programme (total budget $700,000) and sexual education for adolescents ($265,000), as well as a new component, the male survey ($55,000). In the Republic of Moldova, a new project focusing on reproductive health services in three districts was approved in early 2000. In Ukraine, a new three-year project on support to integrated reproductive health services ($350,000) is aimed at improving the quality and accessibility of such services for population, with special attention to adolescents, abortion and prevention of human immunodeficiency virus/acquired immunodeficiency syndrome.

75. The **Economic Commission for Europe (ECE)** reported on the current economic situation and outlook for South-Eastern Europe in its *Economic Survey of Europe, 2000 No. 1*.[5] Although the forecast for 2000 saw a recovery from the recession of 1999, the macroeconomic situation of the subregion was still fragile. Despite lower inflation rates, current account deficits were large and persistent, resulting in a build-up of foreign debt and high unemployment rates averaging nearly 17 per cent. Domestic investment remained weak and foreign investment was insignificant. The *Survey* further emphasized that individual countries of South-Eastern Europe needed to draw up their own programmes for transition and development, which would accurately reflect their specific problems and policies. Such national programmes could then be discussed in the regional framework to improve coordination and encourage cooperation wherever international public goods, economies of scale and other externalities could be found.

76. At its annual session in May 2000, the Commission took up for in-depth discussion the issue

of economic regeneration in the Balkans. The debate focused on the difficulties of the transition process and on the role of international financial and technical assistance, including regional cooperation, in supporting that process. It was recognized that the persisting political instability, lack of State power and weakness of institutions hindered economic recovery. In many instances, Governments were overwhelmed with the double burden of post-conflict reconstruction and transition to a market economy. The meeting concurred that private sector development, particularly small and medium-size enterprises, and institutional capacity-building were essential for economic revitalization of the region, while renewed and sustained support of the international community and regional cooperation could play an important role in addressing security concerns, liberalization of trade, foreign investment and policy coordination.

77. ECE has continued to provide assistance to Eastern European States through a number of projects in the framework of regional and subregional groupings and initiatives, namely the Stability Pact for South-Eastern Europe, the Southeast European Cooperative Initiative, the Central European Initiative and the Black Sea Economic Cooperation, in the areas of transport, trade, environment, enterprise development and human settlements. In particular, ECE provides technical expertise and other support to Southeast European Cooperative Initiative projects in the following fields: (a) border crossing facilitation; (b) development of transport infrastructure; (c) interconnection of electric power systems; (d) energy efficiency; (e) natural gas network systems and international pipeline interconnections; (f) environmental protection for the Adriatic-Ionian region; (g) promotion of public-private partnerships; and (h) promotion of real estate investment. Under the Stability Pact Working Table II, ECE has participated in several sectoral bodies and meetings, including a new working group on trade, and has prepared a number of projects for South-Eastern Europe, most of which are being implemented jointly with the Southeast European Cooperative Initiative.

78. In cooperation with the Central European Initiative and other regional partners, ECE took part in organizing a conference on women's entrepreneurship (Brijuni, Croatia, October 1999), an international conference on legal aspects of small and medium-size enterprise development (Maribor, Slovenia, April 2000) and several working groups and round tables for the preparation of the third Central European Initiative summit economic forum (Budapest, Hungary, November 2000), as well as projects on investment promotion, female entrepreneurship network, business advisory services and micro-financing in the Balkan countries. Similarly, ECE cooperated with the Black Sea Economic Cooperation in organizing a workshop on environment and small and medium-size enterprises (Baku, Azerbaijan, March 2000) and a workshop on microcredit and credit guarantee funds (Sofia, May 2000), and the preparation for a workshop on technology transfer for small and medium-size enterprises, scheduled to be held at Athens, in autumn 2000.

79. The **Department of Economic and Social Affairs** of the United Nations Secretariat continued to carry out analytical activities and to provide policy advice and technical assistance to the affected countries in each of its main programme areas. Most relevant examples include the following activities: (a) the Division for Social Policy and Development organized a workshop on social policies in South-Eastern Europe (Vienna, 20-22 June 2000) and provided backstopping to various UNDP projects on socio-economic policy in Bosnia and Herzegovina, Bulgaria, the former Yugoslav Republic of Macedonia and Ukraine; (b) the Division for Sustainable Development convened at Bratislava, Slovakia, an expert group meeting on national strategies for cleaner production, and assisted Croatia in the preparation of the county's human development report; (c) the Division for Public Economics and Public Administration implements a UNDP technical cooperation project on capacity-building for conflict prevention and management in Romania and South-Eastern Europe, established in Thessaloniki, Greece, a regional centre for Eastern Europe to improve professionalism and ethical standards in the public service, and produced publications on transition issues related to financial management, privatization and private sector development; (d) the Development Policy Analysis Division carried out economic and social surveys and forecasts covering, inter alia, the issues related to effects of the Kosovo crisis, international assistance to the Balkan States and prospects of their integration into the European structures.

C. Regional initiatives and arrangements

80. Since the early 1990s, a series of regional initiatives and assistance arrangements have been launched to address a range of special economic problems of the affected countries in South-Eastern Europe. In the mid-1990s, the focus of international assistance to the region has shifted towards integrating the emergency relief projects into a longer-term regional perspective of economic reconstruction and recovery. At the end of the decade, the process initiated by the European Community to ensure a comprehensive and coherent approach to subregional cooperation and development was reflected in the Stability Pact for South-Eastern Europe, adopted on 10 June 1999 at Cologne, Germany, by the countries of the region and the international community. The Pact established a political commitment of all concerned to achieving peace, stability and prosperity in the region; and its work is organized through three working tables which include democratization and human rights (Working Table I), economic reconstruction, cooperation and development (Working Table II) and security issues (Working Table III).

81. In this framework, the European Commission and the World Bank have been assigned the special mandate to lead and coordinate the international support efforts for economic reconstruction of the region. The political commitment represented in the Stability Pact and the donor coordination mechanism, especially in the area of economic reconstruction and development, are complementary and mutually reinforcing. Updated information on regional activities in the areas of particular concern to the affected countries is provided below.

82. The **European Union (EU)** has been fully committed to peace, stabilization and development in South-Eastern Europe, and has provided substantial financial support to the countries of the region. Indeed, EU (the European Community and member States) is the largest financial provider to international efforts in the Balkan region, having contributed more than 17 billion euros in development, reconstruction, budgetary and humanitarian assistance during the period 1991-1999. The total EU assistance to the Western Balkans — Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia and the Federal Republic of Yugoslavia (Kosovo, Montenegro and Serbia) — has amounted to 8 billion euros since 1991. In addition, a total of 576.5 million euros was allocated for the Western Balkans in the budget of the European Commission for 2000, including 35 million euros for Albania, 100 million euros for Bosnia and Herzegovina, 18.5 million euros for Croatia, 20 million euros for the former Yugoslav Republic of Macedonia, and up to 360 million euros for Kosovo and 20 million euros in exceptional financial assistance to Montenegro, as well as 23 million euros for regional cooperation. In October 2000, an additional emergency aid package worth 200 million euros was proposed for Serbia to provide energy, food and medicine supplies.

83. EU has financed, mainly through the budgets of the Poland and Hungary Action for Restructuring of the Economy (PHARE) and the European Community programme for the rehabilitation and reconstruction of Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia and Yugoslavia (OBNOVA) a range of reconstruction and development activities to address specific concerns of the affected countries of the Balkan region in the areas of economic transition, transport infrastructure development, trade facilitation and investment promotion. In 1991-1999, total allocations under the PHARE and OBNOVA programmes amounted to 1.8 billion euros for the Western Balkans alone, including Albania (598 million euros), Bosnia and Herzegovina (745 million euros), Croatia (46 million euros), the former Yugoslav Republic of Macedonia (215 million euros) and Yugoslavia (167 million euros). With regard to particular problems on border crossings along the major transit routes in the region, the PHARE transit facilitation and customs modernization programme provided funding for a number of assistance projects related to border-crossing infrastructure improvement in the affected countries, including Albania, Bosnia and Herzegovina, Bulgaria, Hungary, Romania, and the former Yugoslav Republic of Macedonia. Similarly, the European Community programme, Technical Assistance for the Commonwealth of Independent States (TACIS) covering two Danube-riparian States, the Republic of Moldova and Ukraine, has allocated funds for border crossing development since 1996.

84. Since 1996, substantial levels of EU assistance under the PHARE and OBNOVA programmes have been provided to Bosnia and Herzegovina to support the efforts of building the country's social and political structures as well as a functioning economy. By the end of 1999, EU reconstruction assistance totalled 745

ion euros, focusing on rehabilitation of basic astructure, the return of refugees and displaced ons, democratization and reform, institutional icity-building and economic regeneration. itional funds were made available via the European mmunity Humanitarian Office, totalling more than 1 on euros for the period 1991-1999. Within evolving rities in 1997-1998, the focus of EU assistance has ed from addressing emergency needs towards a e systematic approach to rebuilding key sectors ntial for economic revival, with expert advice by a consultative task force on administration, latory framework and policies. EU support to r reconstruction projects in transport, water ly, waste management, housing, energy, culture and social services has been accompanied significant funding of the peace implementation ess. EU programme orientations for 2000 reflect a er shift from reconstruction to sustainable omic recovery as well as towards the stabilization association process which provides a clear prospect tegration into EU structures.

In response to the Kosovo crisis, EU provided, in , a total of 378 million euros in humanitarian tance to affected populations in Kosovo (111.7 on euros), Montenegro (17.5 million euros) and ia (70.3 million euros), as well as in neighbouring tries: Albania (97 million euros) and the former oslav Republic of Macedonia (39.7 million euros). addition, a Kosovo reconstruction programme unting to 127 million euros was committed under OBNOVA budget for 1999, of which some 80 per have been already contracted or paid. The 2000 et allocations for EU reconstruction assistance to ovo total 275 million euros. In February 2000, the pean Commission provided funds for UNMIK ic services (10 million euros) and for the purchase lectricity (20 million euros). In June 2000, the pean Commission contributed 35 million euros to ort capacity-building in the banking, agricultural health-care sectors of Kosovo. In addition, the pean Commission approved new funding for anitarian aid worth 61 million euros to cover the urgent needs, mainly food, shelter, water supply sanitation, health and education, throughout slavia, including Kosovo (18.1 million euros), a (31.9 million euros) and Montenegro (5.3 on euros).

86. Following EU's assistance to the region, the overall objective remains the fullest possible integration of South-Eastern Europe into the political and economic mainstream of the rest of Europe. To this end and since 1999, EU has been offering the Western Balkan countries stabilization and association agreements, which include trade liberalization and economic, financial and humanitarian assistance, as well as political dialogue and cooperation in justice and home affairs, along with a prospect of integration into EU structures and eventual EU membership. Bulgaria and Romania have already started EU membership negotiations, and will receive an estimated 6.2 billion euros in combined pre-EU accession assistance in 2000-2006. To date, EU has been the region's most important trading partner, with some 80 per cent of all exports from the Western Balkans entering the EU market duty-free. Further measures have been recently proposed by the European Commission to improve the EU market access for products from these countries, through extending and streamlining trade preferences, to promote foreign direct investment and economic stabilization in the region. Given the importance of strengthening regional cooperation, EU will continue its leading role in the Stability Pact for South-Eastern Europe, which provides a wider mechanism for taking forward regional solutions for long-term and sustainable development.

87. The **European Investment Bank (EIB)** has been actively engaged in international assistance efforts for the reconstruction and development of South-Eastern Europe. In the context of the Stability Pact, EIB was mandated to coordinate the sector review process, identify investment needs and assess regional projects in basic infrastructure, focusing on transport, energy, water and telecommunications sectors. The evaluation process involved submissions by the countries of the region of their project proposals and discussions with the international financial institutions regarding priority projects, including their technical, economic, financial and environmental feasibility. As a result, EIB prepared a regional project review on the basic infrastructure investments in South-Eastern Europe, which was presented to the Regional Funding Conference for South-Eastern Europe (Brussels, 29 and 30 March 2000).

88. A total of nearly 140 projects, with an investment cost of some 11 billion euros, has been divided into the following three groups: (a) 35 quick-start projects

(total cost 1.1 billion euros) for which implementation is likely to start, or a tender will be awarded, within 12 months (up to 31 March 2001); (b) 50 near-term projects (total cost 2.7 billion euros) which appear prima facie economically justified and do not present major sector or project issues, thus for which preparation (including tendering) should be accelerated; and (c) about 60 medium-term projects that require further investigation or analysis on specific issues which must first be solved. By sector, transport (roads, railways, ports and waterways, and airports) accounts for 91 per cent of quick-start projects and 62 per cent of near-term projects, followed by electric power projects accounting for 3 per cent and 25 per cent respectively. The countries particularly affected by the recent crises, namely Albania, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia, account together for 35 per cent of all projects which should start by the near-term. In Yugoslavia, the information existing or provided on various infrastructure projects in Kosovo and Montenegro has only allowed inclusion of these projects on a tentative basis. As for Bulgaria and Romania, mainstream projects are essentially considered outside the Stability Pact structures, since EU's pre-accession process will be the dominant feature regarding many aspects of outside assistance.

89. An important feature of the priority selection process are the proposed activities on the regional scale. To respond to the requirement of consistent regional investment planning and to advance work on the medium-term package, seven regional studies have been included in the quick-start package of projects. In transport, regional studies will cover land transport and air traffic infrastructure, as well as the border-crossing facilities and management, under the transport and trade facilitation programme. For the energy sector, proposals include a Balkan electricity cooperation study, a regional strategic natural gas study and a regional oil pipeline network study. An environmental master plan for the Adriatic Sea is proposed by Croatia. Also proposed is a package of technical assistance for capacity-building, regulatory reform and training in telecommunications.

90. The overall programme on basic infrastructures coordinated by EIB is estimated at a total cost of nearly 4 billion euros over the next two years. In this context, EIB has taken the leading role in 14 projects, which together represent an estimated total cost of some 730 million euros, or 65 per cent of the entire quick-start package of basic infrastructure projects in South-Eastern Europe. In spite of some initial difficulties in closing the financing plan of certain major investment projects and in securing grant resources for some regional studies, the operational schedule of the quick-start package is well advanced and considerable progress has been made on several projects of the near-term package, enabling the acceleration of preparatory works. Apart from the availability of appropriate financing, particular attention will need to be paid to implementation issues, such as legal framework, institutional and public administration aspects, if the regional projects are to be successful.

91. The **European Bank for Reconstruction and Development (EBRD)** is working in close cooperation with the international community to promote economic development and regional integration of South-Eastern Europe under the auspices of the Stability Pact. EBRD has been given the mandate to coordinate the efforts in support of regional private sector initiatives. In January 2000, EBRD hosted a workshop on regional private sector initiatives, with the objectives of reviewing existing programmes, identifying key gaps or duplications, and agreeing on a specific list of high-priority initiatives that would merit support on a grant basis from the donor community. This has resulted in a strategic framework of programmes and projects, which are models of "best practice" in the region, and which have been agreed by the international financial institutions as priorities. These initiatives focus on the areas of promoting cross-border trade and investment and small and medium-size enterprise support.

92. In the area of infrastructure, the existing and planned projects of EBRD in the region represent a substantial part of the investments designated as quick-start projects. Three projects under EBRD lead in Albania, Croatia, and the former Yugoslav Republic of Macedonia (total cost 74 million euros) have been approved by the Bank's Board of Directors and are in the final stages of attracting firm commitments of cofinancing from investment partners. Several projects designated as near-term are proceeding more rapidly than initially anticipated. These include power sector reconstruction in Albania, the Skopje airport project in the former Yugoslav Republic of Macedonia, and municipal water supply projects in Croatia. EBRD is seeking grant funding for some of these projects to ensure implementation in early 2001.

93. EBRD places a strong emphasis on support for small and medium-size enterprises throughout its countries of operations, including South-Eastern Europe, through credit lines, equity investments in microenterprise banks, and other instruments. Recent initiatives in the framework of the Stability Pact include an EBRD/United States trust fund of $50 million, which includes approximately $20 million-$25 million of funding for microenterprise and small and medium-size enterprise support in the region. An expansion of the EU/EBRD small and medium-size enterprise support facility targeted at EU accession countries, including Bulgaria and Romania, above its current level of 50 million euros is under discussion with EU. Also, EBRD takes an active part in the Investment Compact and Business Advisory Council of the Stability Pact.

94. EBRD's trade facilitation programme is designed to reduce risk perceptions between domestic and foreign banks involved in trade finance transactions. Throughout South-Eastern Europe, EBRD has client relationships with a total of 33 banks. Since 1999, eight issuing banks in four countries of the region have been accepted into the programme with total agreed limits exceeding 23 million euros. By the end of 2000, there will be 18 to 20 banks and total limits of 40 million euros. Over 70 confirming banks (mostly Western European banks) have joined the programme. In December 1999, EBRD signed an agreement with the Government of Switzerland to provide grant funds amounting to 5 million Swiss francs. This grant is maintained in a guarantee fund to support the trade guarantee facility portfolio in Albania, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia. New grant funding for the trade facilitation programme, currently under discussion, would allow the programme to be extended in two respects: (a) the total exposure to a single bank could be increased or additional banks could be included; and (b) the range and scope of the guarantee cover could be extended to include longer-term exposures.

95. Based on the strong pipeline of new projects, EBRD expects to meet its target of between 850 million euros and 1 billion euros of signed commitments in South-Eastern Europe over the next two years. Given the normal ratio of EBRD finance to total project cost, this would contribute to about 2.4 billion euros of new loans and investments over the same period, significantly supporting economic activity and regional integration. EBRD looks forward to continued close coordination with local authorities and the donor community to ensure that high priority projects are supported with the necessary financing.

96. The **Organisation for Economic Cooperation and Development (OECD)** has been actively involved in the workings of the Stability Pact for South-Eastern Europe, in particular the design and implementation of the investment compact and anti-corruption initiative. At the same time, OECD has strengthened its existing programmes with the countries of the region, and launched additional country-specific and regional initiatives to support the market-oriented reforms in such areas as economic governance, agriculture, labour market and social policies, education, statistics and the environment.

97. The South-Eastern Europe compact for reform, investment, integrity and growth was approved at a meeting of the Stability Pact's Working Table II held in Skopje, the former Yugoslav Republic of Macedonia on 10 and 11 February 2000. The objective of the compact is to lay the economic and structural policy foundations for sustainable growth and development in South-Eastern Europe. It sets out commitments for policy reform which countries in the region need to implement in order to create a robust and sustainable market economy and encourage increased local and foreign direct investment. The investment compact covers a comprehensive policy package including: banking, capital markets, corporate governance, privatization, investment climate, commercial law, bribery and corruption, money laundering, justice system, accounting practices, customs regimes, small and medium-size enterprise support, public procurement, investment guarantee schemes, and public-private partnerships. OECD and the United Kingdom of Great Britain and Northern Ireland were tasked to lead jointly the project team charged with the implementation of the investment compact. To this end, a roadmap was developed, setting out a three-phase approach: (a) diagnosis of current investment conditions in the countries of the region; (b) development of country specific policy recommendations and the design of regional policy initiatives; and (c) monitoring progress in policy implementation, improvement of the investment conditions and actual investment performance in South-Eastern Europe.

98. In follow-up, OECD launched the first phase on diagnosis of current investment conditions in the

region and provided information on cross-regional policy areas and on country-specific reform action in policy and country fact sheets. In March 2000, OECD carried out missions to most of the countries of the region to assist in the establishment of country economic teams, responsible for the implementation of the countries' commitments under the investment compact. The first meeting of the compact's project teams, including country economic team leaders, the private sector, international organizations and OECD countries, was hosted by Slovenia on 19 April 2000. The meeting resulted in a common understanding on several issues related to the implementation of the compact. Alongside the discussion on country-specific policy reform and development, OECD has proposed a series of regional flagship initiatives in such areas as investment promotion, statistics, small and medium-size enterprise support and taxation agreements, in close cooperation with other international organizations. Some of the proposed activities have been approved and their launch is imminent, while others are still to be coordinated with potential partners and funding needs to be secured before they can be initiated. The compact's project team will continue to review the action plans and future country and regional work with country economic teams and other partners. In particular, OECD will seek close cooperation with the Business Advisory Council of the Stability Pact.

99. The anti-corruption initiative was adopted by the members of the Stability Pact at the meeting of Working Table III held at Sarajevo on 15 and 16 February 2000. The objective is to help countries of the region to build up institutional mechanisms, legislation and practices to fight against corruption. The initiative is based on two texts, the compact and an action plan. The compact lays out some broad principles and provides an action plan on immediate measures that countries in the region have agreed to take to eradicate corruption. The initiative intends to address the following sectors: ratification and implementation of international instruments, promotion of good governance and reliable public administrations, strengthening of legislation and promotion of the rule of law, promotion of transparency and integrity in business operations, and promotion of an active civil society. OECD is mandated, jointly with the Council of Europe, to act as the secretariat of the initiative, and is responsible for the two key pillars: fighting bribery in business transactions and promoting good public governance.

100. The anti-corruption initiative is based upon a strong monitoring mechanism which envisages a three-stage process of diagnosis, country-specific policy recommendations and peer-review. In March 2000, OECD, jointly with the Council of Europe and the Office of the Special Coordinator of the Stability Pact, carried out missions to the region to meet with the national anti-corruption teams set up by the Governments of Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Romania and the former Yugoslav Republic of Macedonia to implement the Initiative, as well as with representatives of the civil society and donor organizations. OECD and its partners completed the first phase on diagnosis of current anti-corruption conditions in the region and prepared country-assessment reports. The next steps will focus on designing country-specific recommendations for the improvement of the situation in the region and monitoring the implementation of policies that are crucial for achieving results in terms of actually decreasing corruption in South-Eastern Europe.

III. Participation by the affected States in the efforts for reconstruction, recovery and development of the Balkan region

101. The General Assembly, in its resolution 54/96 G, invited the relevant international organizations to take appropriate steps, consistent with the principle of efficient and effective procurement and with resolution 54/14 of 29 October 1999 on procurement reform, in order to broaden access for interested local and regional vendors and to facilitate their participation in the efforts for reconstruction, recovery and development of the region. Information received from the relevant components of the United Nations system, as well as from the Department of Peacekeeping Operations and the Office for the Coordination of Humanitarian Affairs of the United Nations Secretariat, is outlined below.

A. Involvement in rendering humanitarian assistance

102. The 2000 United Nations Consolidated Inter-Agency Appeal for the South-Eastern Europe Humanitarian Operations was launched in November

1999, providing an overall regional framework for a wide range of agency programmes tailored to specific needs in each of the five component countries: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia and Yugoslavia, in particular the province of Kosovo. In total, $660 million was requested for the programme activities of 16 appealing agencies in 2000. The mid-term review, held in July 2000, reaffirmed the objective of prioritizing protection and assistance with a renewed emphasis on the promotion of human rights, as well as durable solutions for uprooted populations. It also retained the regional approach, for the causes, extenuating factors, and consequences of the complex emergencies in the region over the past decade had been inter-linked. Economic and political differences across the region were recognized, especially where they presented particular obstacles to the reduction of emergency assistance in favour of durable long-term solutions. As at 4 October 2000, 47.6 per cent of the revised funding requirements had been met, leaving a shortfall of some $330 million. Levels of donor support varied for programmes in Albania (15.9 per cent), Bosnia and Herzegovina (20.6 per cent), Croatia (44.8 per cent), the former Yugoslav Republic of Macedonia (31.5 per cent), Yugoslavia, excluding Kosovo (20.1 per cent), and Kosovo (37.5 per cent). Even given the many constraints, including funding shortfalls raising concerns about donor fatigue, the recent improvements in the region provide an opportunity for achieving the humanitarian objectives, particularly those related to the repatriation of long-standing refugee and displaced populations. It is, therefore, essential that the donor community continue and reinforce support, with an increasing emphasis on involving local and regional suppliers wherever possible, to take advantage of the present environment and establish the foundations for durable solutions, stability, and development throughout the region.

103. The **Office of the United Nations High Commissioner for Refugees (UNHCR)** has continued to promote both local and regional procurement of supplies and services for its programmes in the territory of the former Yugoslavia. All potential and qualified suppliers in the countries of the region were invited to submit quotations, in compliance with competitive bidding procedures, for this purpose. In 1999, contracts were awarded to suppliers from the following countries: Bosnia and Herzegovina ($531,309), Croatia ($1,480,213), Hungary ($183,125), Slovenia ($282,343), the former Yugoslav Republic of Macedonia ($12 million — includes contracts from implementing partners) and Yugoslavia ($969,077). Under those contracts, the main items purchased by UNHCR were shelter materials, stoves, blankets, beds, heating and diesel fuel, coal, hygienic supplies, office furniture and equipment, printing services, rental of warehouses and transport services.

104. In September 1999, UNHCR assisted the Government of the former Yugoslav Republic of Macedonia to organize in Ohrid a special conference on procurement of the country's goods and services for international organizations involved in Kosovo and the neighbouring region. The objective of the conference was twofold: (a) to advise international organizations of the local market possibilities; and (b) to inform local businesses about United Nations procedures on local procurement. The conference was attended by over 150 business representatives from the country and a score of international organizations operating in the region. As a follow-up, UNHCR carried out, in coordination with the regional chamber of commerce, a similar workshop in the city of Bitola in March 2000, and plans to hold a series of such workshops in other regions of the country towards the end of 2000.

105. The **World Food Programme (WFP)** has been carrying out a regional emergency operation in the Balkans, providing food aid, as at 1 January 2000, to a total of 1.6 million beneficiaries in Albania, the former Yugoslav Republic of Macedonia and Yugoslavia: Kosovo (600,000), Montenegro (95,000) and Serbia (710,000). During the first half of the year, the beneficiary caseload gradually scaled down to 1 million at 1 July 2000, and is expected to further reduce towards the year-end. WFP assistance has been targeted to the most vulnerable groups of the population, including refugees, displaced persons and the food insecure poorest members of society. For the first semester of 2000, the total value of WFP assistance in the region was estimated at around $60 million.

106. In addition, WFP cash and managerial inputs in the region have contributed to supporting the process of economic reconstruction and capacity-building in the Balkans. WFP employs locally recruited national staff in its country offices and sub-offices in Albania, the former Yugoslav Republic of Macedonia and Yugoslavia (Kosovo, Montenegro and Serbia), at a total cost of $1.5 million for the first half of 2000. WFP also engages regional and local actors as its implementing

partners and suppliers. Within regional and local procurement during the first half of 2000, WFP purchased 32,529 tons of food commodities from Hungary, the former Yugoslav Republic of Macedonia and Yugoslavia, at a total cost of around $6 million. Local transporters have been contracted to haul WFP food commodities from the port of Thessaloniki in Greece and the port of Bar in Montenegro to various locations within the region, mainly to the storage points in Kosovo, Montenegro and Serbia, and for the overland transportation of goods within Albania. These services, including warehouse rental, have contributed close to $4 million to the local economies in the Balkan region.

B. Supply for the United Nations peacekeeping operations

107. The United Nations continues to maintain three peacekeeping operations in the Balkan region which play an important role in the international community's efforts to assist in the search for peace and stability in the region. The United Nations Mission in Bosnia and Herzegovina (UNMIBH) concentrates, in the overall framework of the implementation of the Dayton Peace Agreement, on the monitoring and restructuring of the police forces in this country as well as on strengthening the rule of law in general. UNMIK, one of the most complex operations that the United Nations has ever undertaken, provides a wide range of civilian services in this province, including in the fields of law enforcement, civil administration and public services. The United Nations Mission of Observers in Prevlaka (UNMOP) continues to monitor the demilitarization of this strategically important peninsula between Croatia and Yugoslavia.

108. In the context described above, the United Nations peacekeeping missions in the former Yugoslavia have continued to issue tenders for their requirements to prospective vendors in all European countries, including those affected by the developments in the Balkans. During the period from January 1998 to December 1999, such local procurement was made, inter alia, from Albania ($90,000), Austria ($801,112), Bosnia and Herzegovina ($11,042,616), Croatia ($3,766,296), Germany ($2,435,353), Greece ($294,061), Hungary ($4,000), Italy ($21,177,565), Slovenia ($335,688), the former Yugoslav Republic of Macedonia ($3,551,799) and Turkey ($1,133,638). Apart from benefits for the local economies, procurements in the mission areas, wherever possible, may offer potentially shorter delivery times and reduced freight costs, provided the required goods and services are available locally and their costs are competitive.

109. Two other sources of access for suppliers from the affected countries to the United Nations peacekeeping operations in the former Yugoslavia are commercial procurement at United Nations Headquarters and government procurement through letters of assist. From January 1998 to December 1999, commercial Headquarters procurement was made, inter alia, from Bulgaria ($4,296,400), Germany ($737,235), Italy ($8,514,928), Romania ($2,801,550) and Ukraine ($4,514,043). Under letters of assist issued to Governments during the same period, requisitions were distributed, inter alia, to Austria ($5,043), the Czech Republic ($6,000), Germany ($318,633), Italy ($1,139,760), Romania ($483,920), Slovakia ($11,250) and Ukraine ($1,067,000). Further possible supplies from the affected countries to the United Nations missions in the region can be foreseen.

C. Partnership for reconstruction and development

110. In April 1999, the European Commission and the World Bank were tasked by the international community to lead the coordination effort of all bilateral and multilateral aid for the reconstruction and development in the Balkans. Under this mandate, the two institutions have been responsible for coordination of matters related to the economic recovery, reform and reconstruction of the South-Eastern Europe region, including mobilizing donor support, providing economic analysis, developing appropriate conditions and implementing projects. To help carry out this mandate, a joint European Commission/World Bank Office for South-Eastern Europe was opened in Brussels, which maintains a web site (www.seerecon.org) providing information on the reconstruction process in the region. In addition, a high-level steering group of the donor community was created to oversee the economic recovery and reconstruction mandate in Kosovo and South-Eastern Europe.

111. In the aftermath of the Kosovo crisis, the World Bank, together with the European Commission and in

partnership with other agencies, took the lead in preparing an initial reconstruction and recovery programme for Kosovo, with external financing requirements of about $2.3 billion for a period of four to five years. Two donor conferences were co-chaired by the Bank and the European Commission in July and November 1999 to mobilize resources in support of budgetary assistance, reconstruction and recovery programme and peace implementation in Kosovo, which resulted in total pledges of more than $3 billion for 1999-2000. According to the latest progress report, donors have made encouraging progress over the period January-June 2000 in carrying out the reconstruction and recovery programme and providing additional funds for budgetary support to Kosovo. Specifically, against the original target of $1.1 billion for the commitment of funds by the end of 2000, donors reported firm commitments of $1 billion already by the end of June 2000. As at 30 June 2000, pledges made for the 1999 and 2000 budgets totalled $109 million, while commitments reached $137 million and actual spending $117 million. In November 1999, reconstruction and recovery needs alone were assessed at $998 million until the end of 2000; the firm commitments for this purpose reached $872 million by the middle of this year, of which $366 million were actually spent. Substantial amounts have been contributed to utilities and housing, but allocations to agriculture appear to be relatively low. UNMIK is preparing a public investment programme for 2001 which will update the financing requirements for the Kosovo reconstruction and recovery programme.

112. A regional funding conference for South-Eastern Europe was organized by the European Commission and the World Bank, in close association with the Special Coordinator of the Stability Pact, in Brussels on 29 and 30 March 2000. At the conference, participating countries of the region presented a set of measures that they intend to put in place to achieve the Stability Pact's objectives. In response, the donor community pledged or committed more than 2.4 billion euros, thereby exceeding the 1.8 billion euros target for a comprehensive quick-start package of regional projects and initiatives over the next 12 months, as well as providing financing to accelerate the preparation and implementation of near-term regional projects over the next two to three years, both developed within the framework of the Stability Pact, and additional to country-specific donor programmes. Overall, these projects and initiatives are aimed at improving infrastructure, promoting private sector development, supporting policy and institutional reforms, and encouraging democratization, reconciliation and security in the region.

113. Six months after the regional donor conference, all except one of the 34 (originally 35) quick-start projects and studies in the infrastructure sector have fully identified sources of funding for the total amount of 1.2 billion euros. The remaining financing gap is estimated at some 29 million euros. To date, work has actually started on six projects, while bidding for contracts is under way or completed on one third of the projects. Current forecast indicates that bidding will have started on all but four of the quick-start projects before the critical cut-off date of 1 April 2001. One of the four projects (Bosnia and Herzegovina Power 3 Project) is fully financed and ready to move forward, but has had to be held back until steps are taken by the Bosnian authorities to reorganize the country's power sector. The other three projects (two in Croatia and one in Bulgaria) await the completion of some technical studies before a firm schedule can be established. Completing the financing plan was a critical step for the package as a whole. The challenge now is project implementation, for which major efforts by the beneficiary countries and the lead agencies will be required during the coming months.

IV. Conclusions

114. Economic assistance to the Eastern European States affected by the developments in the Balkans has been carried out against the background of numerous political and economic complexities inherent in the evolving situation in the region. Apart from the adverse effects of military conflicts, economic sanctions and other disruptions during the transition period following the disintegration of the former Socialist Federal Republic of Yugoslavia, the Kosovo crisis produced a devastating impact on the fragile economies of South-Eastern Europe and beyond. As a result, several most seriously affected countries of the region and the international community have been confronted with new and greater challenges of coping with the humanitarian emergency and the post-conflict reconstruction, rehabilitation and stabilization in the Balkans. With a broad-based international support, the affected countries have embarked on a difficult path towards economic and social reform and recovery,

including special efforts to fully overcome the consequences of the Kosovo crisis. Most recently, the democratic changes in Yugoslavia have paved the way for the cessation of the country's international isolation and the resumption of regional cooperation, especially with regard to traditional transport and economic links throughout the Balkans and the rest of Europe. However, ensuring a lasting stability and sustainable development of South-Eastern Europe is a long-term and difficult process, which will require continued and concerted efforts of the countries of the region and the international development actors.

115. Because of the limited number of replies received by the Secretary-General from both the affected States and the donor countries, it is not possible to make a conclusive assessment based only on these responses. However, recent assessments by international bodies active in the region indicate that the affected countries of South-Eastern Europe continue to face adjustment problems stemming from a range of internal and external factors including, inter alia, the long-term consequences of major systemic transformations, violent conflicts and economic sanctions. It is essential that all these problems be effectively addressed in the context of the ongoing reconstruction and rehabilitation effort, as well as through enhancing regional cooperation for stabilization, economic recovery and development in the Balkans. At the regional level, particular attention has to be paid to such fields as infrastructure reconstruction, including the resumption of navigation on the Danube, private sector development, trade integration, investment promotion and institutional capacity-building. To date, the reconstruction and stabilization process as well as regional cooperation programmes have already yielded positive results in the most seriously affected countries, and should ultimately benefit all the countries of the region.

116. The relevant components of the United Nations system, including the international financial institutions, continue to implement, within their respective mandates, existing facilities and available resources, substantial programmes of financial and technical assistance in the affected countries. In response to the renewed appeals for special economic assistance, these programmes have been enhanced, as appropriate, in order to take into account, to the extent possible, the special needs and situations of the affected States, with a view to providing support to their efforts for economic recovery, structural adjustment and development. Within the framework of the reconstruction and recovery programme for Kosovo, a series of emergency measures and activities have been carried out to address the regional consequences of the Kosovo crisis as a result of economic and social constraints caused by large numbers of refugees and displaced persons, as well as disruptions in trade, transport and foreign investment in the neighbouring and other affected countries. As most urgent requirements resulting from the Kosovo crisis have been met, the focus has shifted to addressing a variety of longer-term economic and social problems of the affected States of the region, both in support of the reconstruction and recovery efforts and on account of structural adjustment, economic transition and sustainable development.

117. Specific concerns of the affected countries in the areas of transport and infrastructure development as well as trade facilitation and investment promotion have been pursued through special regional initiatives and assistance arrangements under the auspices of EU and in cooperation with other regional organizations. The EU, PHARE, OBNOVA and TACIS programmes have been crucial in financing a series of border-crossing infrastructure and customs facilitation projects in the affected countries, as well as integrating them into a longer-term regional perspective of transport and infrastructure development, particularly for the functioning of the priority transport and customs corridors in the region. Substantial additional resources have been made available to the Western Balkans to facilitate the transition from the stage of responding to the emergency needs and short-term funding requirements of the crisis-affected countries to a new stage of supporting a comprehensive and long-term approach to the stabilization and consolidation of South-Eastern Europe, with a view to further integrating these countries into the European and global structures. Under the regional reconstruction and development programme, the international financial and development institutions have been accorded lead roles in key sectors, such as infrastructure development (EIB), promotion of the private sector, including small and medium-size enterprises (EBRD), investment compact and anti-corruption initiative (OECD) and overall economic framework (World Bank). Within the evolving regional priorities, continued donor support, participation of regional development and investment banks and

private-sector involvement would be essential for developing cross-border cooperation, upgrading infrastructure and promoting trade and investment in the Balkans as an integral part of Europe.

118. The neighbouring and other affected countries should be encouraged to participate more actively in international cooperation and support for reconstruction, recovery and development efforts in the region. The local and regional procurement policies pursued by many United Nations organizations, programmes and agencies that have recently increased their presence and enhanced their activities in the Balkan region open new possibilities for the suppliers from the neighbouring and other affected countries. In addition, effective mobilization and coordination of assistance and co-financing of projects under the auspices of multilateral agencies both inside and outside the United Nations system should facilitate appropriate regional allocation of resources and increase transparency in procurement of products and services, including procurement from local and regional vendors. Moreover, the implementation process of the Stability Pact for South-Eastern Europe, especially the activities of its Working Table on Economic Reconstruction, Cooperation and Development, provides an essential mechanism for promoting structural reforms, sustainable development, intraregional economic cooperation and integration of South-Eastern Europe into the European mainstream as an important contribution to peace, stability and prosperity in the Balkan region and beyond.

Notes

[1] Apart from the Federal Republic of Yugoslavia (Kosovo, Montenegro and Serbia), six States — Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Romania and the former Yugoslav Republic of Macedonia — have been identified as most seriously affected countries in the region. In addition, several other Danube-riparian States of Eastern Europe, namely Hungary, Slovakia, the Republic of Moldova and Ukraine, also reported, on various occasions, their special economic problems stemming from the developments in the Balkans.

[2] The present report supersedes a series of five previous reports of the Secretary-General on economic assistance to States affected by the implementation of the Security Council resolutions imposing sanctions on the Federal Republic of Yugoslavia (A/49/356, A/50/423, A/51/356, A/52/535 and A/54/534).

[3] See *Economic Survey of Europe, 1999, No. 2* (United Nations publication, Sales No. E.99.II.E.3), pp. 17-20.

[4] See *Official Records of the Security Council, Fiftieth Year, Supplement for October, November and December 1995*, document S/1995/999.

[5] United Nations publication, Sales No. E.00.II.E.12.

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Cooperation between the United Nations and the Inter-Parliamentary Union

Security Council
Fifty-fifth year

Letter dated 8 November 2000 from the Chargé d'affaires a.i. of the Permanent Mission of Indonesia to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the texts of four resolutions adopted by the 104th Conference of the Inter-Parliamentary Union, which was convened at Jakarta, from 15 to 21 October 2000 (see annex).* These resolutions are entitled:

1. "The prevention of military and other coups against democratically elected Governments and against the free will of the peoples expressed through direct suffrage, and action to address grave violations of the human rights of parliamentarians"

2. "Financing for development and a new paradigm of economic and social development designed to eradicate poverty"

3. "Bringing an end to the tension and violence in the Middle East, protecting civilians in accordance with the Fourth Geneva Convention, and action to save the peace process in accordance with the relevant United Nations resolutions"

4. "Are embargoes and economic sanctions still ethically acceptable, do they still work, and are they suited to achieving their purpose in an ever more globalised world?"

I should be appreciative if you would circulate the aforementioned resolutions as a document of the General Assembly, under agenda item 26, and of the Security Council.

(*Signed*) Makmur **Widodo**
Ambassador
Deputy Permanent Representative
Chargé d'affaires a.i.

* The annex is being circulated in the languages of submission only.

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Annex to the letter dated 8 November 2000 from the Chargé d'affaires a.i. of the Permanent Mission of Indonesia to the United Nations addressed to the Secretary-General

[Original: English and French]

INTER-PARLIAMENTARY UNION

THE PREVENTION OF MILITARY AND OTHER COUPS AGAINST DEMOCRATICALLY ELECTED GOVERNMENTS AND AGAINST THE FREE WILL OF THE PEOPLES EXPRESSED THROUGH DIRECT SUFFRAGE, AND ACTION TO ADDRESS GRAVE VIOLATIONS OF THE HUMAN RIGHTS OF PARLIAMENTARIANS

Resolution adopted without a vote by the 104th Conference (Jakarta, 20 October 2000)

The 104th Inter-Parliamentary Conference,

Reaffirming that the maintenance of constitutional democracy is of fundamental importance to the human rights of peoples, in particular their right to be governed by representatives that they have elected freely,

Noting that military and other coercive means of removing democratically elected governments strike at the very heart both of these rights and of the principles of the Inter-Parliamentary Union, and must be condemned,

Emphasising that the Inter-Parliamentary Union has been an active advocate of parliamentary democracy, and *recalling* that the Inter-Parliamentary Council adopted a *Universal Declaration on Democracy* in Cairo in 1997 and a *Declaration on Criteria for Free and Fair Elections* in Paris in 1994, and that these supplemented the principles of many international instruments, including the *Universal Declaration of Human Rights*,

Convinced that a parliament elected freely and fairly is the best guarantee of human dignity and the prosperity of citizens,

Further convinced that for an open democratic system to function properly, the right to vote and to stand for election, the right to form associations and parties, the right of free speech and equitable access to the media, and the right to assemble and demonstrate peacefully are essential,

Recognising that one of the essential means of preventing threats to democracy is to ensure the full participation of all sectors of society, including women, minorities and vulnerable groups, in democratic processes,

Further recognising the need to ensure the restoration of democracy in countries where the legitimate government has been overthrown and *urging* authoritarian regimes to carry out the necessary political transformation,

Stressing that the Inter-Parliamentary Union should play a leading role in the prevention of coups and should call on Governments to strengthen democracy, to promote human rights and to support dialogue and negotiation in the settlement of internal disputes as a way of addressing the cause of divisions that lead to attempts to overthrow democratic governments,

Emphasising that no comfort or encouragement should be given to those involved in the undemocratic overthrow of governments, and *recognising* the need for the international isolation of such regimes by means of effective sanctions and other appropriate practical measures, and the restoration of legitimate, democratically elected governments,

Reasserting that the rights of parliamentarians must be protected if they are to protect and promote human rights and fundamental freedoms in their respective countries, and *acknowledging* in this regard the successful work undertaken by the IPU Committee on the Human Rights of Parliamentarians,

CONDEMNATION

1. *Strongly condemns* all attempts, successful or otherwise, to overthrow democratically elected governments by military or other undemocratic means;

2. *Vigorously condemns* all individuals who abuse the human rights of parliamentarians and other citizens in the course of their involvement in military and other coups;

3. *Urges* all parliaments to exhort their respective governments to bring about the international isolation of regimes which come to power through the undemocratic overthrow of elected governments, by considering the application of effective sanctions and other practical measures;

4. *Calls on* all parliaments to adopt, where feasible, new legislation and/or constitutional amendments strictly to enforce appropriate punishment for individuals involved in the undemocratic overthrow of elected governments, particularly when violence is used and to ensure to that end that the punishment of such acts may be neither quashed nor subject to a statute of limitations;

PREVENTION

5. *Further calls on* parliaments to urge governments to direct the international and regional organisations to which they belong to promote a culture of democracy, good governance and democratic rights of citizens;

6. *Urges* all parliaments and governments to rise above any differences that may exist between ruling and opposition parties and to unite in resisting all attempts and actions aimed at destroying the system of parliamentary democracy by force of arms or other forcible measures;

7. *Stresses* the important and vital role of education in the formation of a democratic culture of peace and non-violence;

8. *Urges* all parliaments and governments to ensure the full and equitable participation of all sectors of society, including women, minorities and vulnerable groups, in democratic and democratisation processes;

9. *Further urges* all parliaments and governments to ensure that bodies responsible for security, particularly the security forces, are accountable both to elected civil authorities and to civil society, and that they operate in accordance with the rule of national and international law;

10. *Recommends* that all States strengthen democracy, promote human rights as well as human security and favour dialogue and negotiation in the settlement of internal disputes as a way of addressing the cause of divisions that lead to attempts to overthrow democratic governments;

ACTION BY THE INTER-PARLIAMENTARY UNION

11. *Commends* the Committee on the Human Rights of Parliamentarians for its invaluable work in defending the human rights of members of parliament, and *calls on* all member parliaments actively to support its work, particularly through appropriate follow-up action on individual cases of human rights violations suffered by fellow parliamentarians which the Committee examines under its public procedure;

12. *Urges* the IPU to play a special role through the use of the Internet (electronic mail, Web sites) and other cost-effective yet persuasive modes of mass communication, to provide a venue that encourages the early reporting of human rights violations so that parliamentarians can take swift action to protect the rights of parliamentarians and other citizens around the world;

13. *Requests* the Secretary General of the IPU to examine the feasibility of establishing a mechanism for monitoring and denouncing violations of human rights and civil liberties, and subsequently to report to the governing bodies of the IPU at their next session.

A/55/621
S/2000/1089

INTER-PARLIAMENTARY UNION

FINANCING FOR DEVELOPMENT AND A NEW PARADIGM OF ECONOMIC AND SOCIAL DEVELOPMENT DESIGNED TO ERADICATE POVERTY

Resolution adopted without a vote by the 104th Conference (Jakarta, 20 October 2000)

The 104th Inter-Parliamentary Conference,

Recognising that poverty is the result of various economic, political, social and institutional processes that interact with each other and may reinforce each other in ways that can make the poor even more destitute,

Further recognising that, more than inadequate income or human development, poverty is also vulnerability and a lack of voice, power and representation,

Conscious that, today, more than a billion people live in absolute poverty and have been marginalised within society, thus being denied the opportunity to participate in productive economic life, and that in particular the number of women living in poverty has increased,

Deploring the fact that, whereas three billion men and women live on less than two dollars a day, the official development assistance provided by the majority of rich countries has declined sharply in recent years, thereby depriving the poor countries of the means to finance their development,

Affirming that far too much money from the funds received for development aid goes into repaying debts, particularly in the case of heavily indebted poor countries (HIPCs),

Considering that the private capital flows that have grown rapidly in the past two decades are concentrated in a few developing countries, leaving most of the others largely dependent on official aid,

Noting that the domestic savings of the poor countries are all too often invested in unproductive expenditure and are attracted by the large capital markets of the rich countries,

Considering that trade barriers erected by industrialised countries and between developing countries severely impair the latter's economic growth and that the resulting loss of income is more than double the total amount of development assistance,

Convinced that, in some developing countries, progress is hampered by a lack of good governance,

Recalling IPU resolutions, particularly those adopted by the 73rd Inter-Parliamentary Conference (Lomé, 1985) on the role of parliaments and their contribution towards the elimination of poverty by eliminating the burden of international debt; the 74th Inter-Parliamentary Conference (Ottawa, 1985) on the contribution of parliaments to the search for measures and actions aimed at removing the burden of foreign debt that weighs on the developing countries; the 88th Inter-Parliamentary Conference (Stockholm, 1992) on the need for a radical solution to the problem of debt in the developing world; and the 102nd Inter-Parliamentary Conference (Berlin, 1999) on the need to revise the current global financial and economic model, as well as the Final Document of the Inter-Parliamentary Conference "North-South Dialogue for Global Prosperity" organised by IPU in Ottawa in 1993,

Approving the solemn commitments made by the United Nations, the World Bank and the IMF to make poverty eradication and debt alleviation for the least developed countries one of the essential priorities of their activities,

Welcoming the preparations under way for the High-Level Intergovernmental Event on Financing for Development to be held by the United Nations in 2001, and *also welcoming* all regional initiatives that seek to combat poverty and that mobilise a large number of countries with the support of international financial institutions,

Noting that the Fourth World Conference on Women defined equality between men and women as a human rights issue and as a condition for the existence of social justice,

Calls on both developed and developing countries to pursue development with a human face through economic development measures such as credit facilities for small and medium-sized enterprises, small-scale financing initiatives and household debt relief, and through initiatives in fields such as the development of health and education systems and services, the protection of human rights and environmental conservation, in the interests of human security;

Supports the introduction of such new approaches to sustainable development in the context of globalisation as would ensure economic growth, environmental protection and social development, including the creation of new jobs, while preserving the resources necessary for future generations;

Urges both developed and developing countries to promote policy dialogue on development, to aim at establishing democratic systems, good governance and high standards of transparency and to acknowledge the role of civil society and NGOs;

Urges the developed countries to provide efficient official development assistance tailored to the conditions of developing countries and to honour the commitment they have made several times to devote 0.7 per cent of their GNP to official development assistance;

Urges the developing countries to take measures to ensure that such assistance benefits the truly needy;

Stresses that debt cancellation for HIPCs and debt relief for other developing countries should be granted immediately and focus almost exclusively on poverty reduction measures that take account of the predicament of women, especially in rural areas, and on the eradication of inequalities;

Endorses proposals aimed at stemming short-term capital flows which have especially dramatic consequences for production in developing countries, and in particular *supports* the idea of a tax on short-term capital flows that could be allocated to a world solidarity fund managed by the United Nations, and *requests* the Inter-Parliamentary Union to invite the international financial institutions to present a report on the technical arrangements for, and the consequences of, the establishment of such a tax at the next Inter-Parliamentary Conference in Cuba;

Urges recipient countries to develop legal and social frameworks to ensure that the funds made available are effectively used for social and economic development and for the welfare of the people;

Endorses the call made by the international community in the 20/20 Initiative for 20 per cent of donor countries' official development assistance to be used to combat poverty and 20 per cent of the recipient countries' public expenditure to be used for basic social services, such as education, health and housing;

Stresses the need to direct national efforts away from military priorities and international trade in weapons, and towards more productive and peaceful objectives, bearing national security implications in mind;

Reaffirms that the struggle against poverty and inequality requires the existence of an effective, democratic and transparent State which is respectful of human rights; and *emphasises* that this struggle must promote civil and political liberties in order to empower the poor to claim their social, economic and cultural rights, and must also combat corruption, which always hits the poor hardest;

Urges the world's parliamentarians to play a central role in the implementation of development assistance measures, both at home and in the international arena.

INTER-PARLIAMENTARY UNION

BRINGING AN END TO THE TENSION AND VIOLENCE IN THE MIDDLE EAST, PROTECTING CIVILIANS IN ACCORDANCE WITH THE FOURTH GENEVA CONVENTION, AND ACTION TO SAVE THE PEACE PROCESS IN ACCORDANCE WITH THE RELEVANT UNITED NATIONS RESOLUTIONS

Resolution adopted by the 104th Conference
by 987 votes to 61, with 131 abstentions
(Jakarta, 19 October 2000)

The 104th Inter-Parliamentary Conference,

Recalling its resolution on Jerusalem adopted in Seoul (97th Conference, April 1997) and its resolutions adopted in Amman (103rd Conference, April 2000),

Recalling also UN Security Council resolutions 476 (1980), 478 (1980), 672 (1990), 1073 (1996) and 1322 (2000), and all its other relevant resolutions,

Recalling further the internationally recognised principles of human rights law enshrined in various United Nations Declarations and Conventions and repeatedly endorsed by the Inter-Parliamentary Union,

Asserting the applicability of international humanitarian law, in particular the Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949,

Deeply concerned by the tragic events that have occurred in the Palestinian territories in particular since the provocative visit of Mr. Ariel Sharon to Al-Haram Al-Sharif in Jerusalem on 28 September 2000, and which have led to numerous deaths and injuries mostly among the Palestinians, due to excessive use of force by the Israeli army in the occupied territories,

Reaffirming that a just and lasting solution to the Arab-Israeli conflict must be based on UN Security Council resolutions 242 (1967), 338 (1973) and UN General Assembly resolution 194 (1948), and on an active process of negotiation which takes account of the legitimate rights of the Palestinian people, including the right to self-determination and to the establishment of an independent State,

Expressing its support for the Middle East peace process and the efforts to reach a final settlement between the Israeli and Palestinian sides, and *urging* the two sides to cooperate in these efforts,

Taking into account the declaration of 17 October by the parties gathered at Sharm el-Sheik who have publicly stated their determination to stop the violence and undertake concrete measures to prevent a recurrence of recent events,

Reaffirming the need for full respect by all of the holy places of the city of Jerusalem, and *condemning* any behaviour to the contrary,

1. *Condemns* all acts of provocation that threaten the peace process and international efforts to establish a just and comprehensive peace;

2. *Deeply deplores* the tragic events that have taken place in the Palestinian territories which have led to an alarming upsurge in the Arab-Israeli conflict since the provocative visit of Mr. Ariel Sharon to Al-Haram Al-Sharif in Jerusalem on 28 September 2000;

3. *Denounces* the acts of violence committed in the occupied territories by the Israeli military forces and their excessive use of force which have already resulted in over 120 deaths and more than 4,000 casualties, mostly among the Palestinians and including innocent civilians;

4. *Urges* Israel to fulfil its commitment to cease all military actions, to lift the blockade of the Palestinian territories and to restore the situation which existed prior to the current crisis;

5. *Calls on* the Israeli Government and the Palestinian National Authority henceforth to prevent any acts of violence;

6. *Calls also on* Israel, the Occupying Power, to abide scrupulously by its legal obligations and its responsibilities under the Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949, which is applicable to all the Arab territories occupied by Israel since 1967;

7. *Calls further on* the parties to secure a return to normality so as to improve the prospects for the Middle East peace process in keeping with the principle of land for peace and UN Security Council resolutions 242 and 338;

8. *Welcomes* and *supports* the intentions announced in the 17 October meeting in Sharm el-Sheik to establish an international commission of inquiry, with the support of the United

Nations, for a speedy and objective inquiry into the tragic events of the past few days with the aim of preventing their recurrence;

9. *Calls on* the two parties to resume substantive negotiations and to do everything possible to achieve lasting peace;

10. *Calls also on* all forces for peace to mobilise internationally in order to turn the region into a zone of peace and shared prosperity;

11. *Welcomes* the encouraging results of the Sharm el-Sheik talks as an important step towards ending violence and resuming the political dialogue, and *calls on* both sides sincerely to fulfil their commitments.

A/55/621
S/2000/1089

INTER-PARLIAMENTARY UNION

ARE EMBARGOES AND ECONOMIC SANCTIONS STILL ETHICALLY ACCEPTABLE, DO THEY STILL WORK, AND ARE THEY SUITED TO ACHIEVING THEIR PURPOSE IN AN EVER MORE GLOBALISED WORLD?

Resolution adopted by the 104th Conference by 834 votes to 245, with 159 abstentions (Jakarta, 20 October 2000)

The 104th Inter-Parliamentary Conference,

Reaffirming the principles and objectives of the United Nations Charter and the r played by the United Nations in the maintenance of peace and security,

Recalling that during the 1990s, the use of sanctions, and particularly economic sanctio under Article 41 of the United Nations Charter became much more frequent than in previous decad and *also recalling* Article 1.3 of the United Nations Charter,

Considering that the international community has now acquired sufficient experience this field to move on to evaluating such measures,

Welcoming the discussions on this matter in the United Nations and the Security Cour in particular, and *commending* the remarkable research and thinking done in this connection at initiative of some governments and by non-governmental organisations,

Convinced of the need to safeguard the universality of measures taken by the Uni Nations and to remove all obstacles to it, and *concerned* that the outcome of economic sanctio applied by the United Nations is not always successful and that some sanction regimes are stron contested, which is arousing growing scepticism and mistrust about an instrument that is meant to used by the Security Council to ensure international peace and security,

Mindful that the application by member States of sanctions adopted by the Secu Council often leaves much to be desired,

Aware that economic sanctions have humanitarian repercussions, which are aggravated in a globalised world characterised by economic inter-dependence, and have contributed more than anything else to undermining public support for sanctions,

Underscoring that comprehensive sanction regimes in particular have a negative impact on living conditions in the country they are aimed at which tends to go beyond the bounds of the acceptable, given that they strike the population indiscriminately, whereas their purpose is to induce the government (or, as the case may be, certain non-State players involved in a conflict) to respect the resolutions of the Security Council,

Considering that the undesired effects on the population are increased greatly when comprehensive sanctions are applied for an indefinite period, or when they are imposed on developing countries, which lack the necessary resources to contain these effects,

Mindful of the negative impact that economic sanctions imposed by the United Nations have on third party States which are trading partners of the State under sanctions, and in particular on neighbouring countries, which often suffer considerable losses and receive insufficient assistance from the rest of the international community despite the provisions of Article 50 of the United Nations Charter,

Stressing the need to distinguish clearly between sanctions adopted by the Security Council and those used by States, acting unilaterally or together, as an instrument of their foreign policy,

Underscoring that, while the United Nations Charter does not challenge the sovereign right of each country (or group of countries) to decide with which other countries it maintains economic and trade relations and hence to interrupt such relations with another country as it sees fit, in order to mark its disagreement with the policy conducted by a given country, it is no less true that:

(a) Economic sanctions of this type can never be binding on third party countries or their nationals,

(b) The United Nations Security Council and General Assembly are competent to assess these sanctions from the point of view of international peace and security, in conformity with Articles 34 and 35 of the United Nations Charter,

(c) Unilateral sanctions inflict unwarranted suffering on the people of the countries concerned, particularly women, children and the elderly, who are increasingly affected by them,

Deploring the use of unilateral sanctions as an instrument to advance foreign policy and ulterior objectives,

Noting that the status in international law of the instrument of economic sanctions - whether imposed by the United Nations or by States - does not cover the whole range of their collateral consequences, as far as humanitarian requirements and the negative impact on third countries are concerned,

1. *Considers* that economic sanctions should be avoided as far as possible but that they may be a useful and legitimate instrument to enable the Security Council to ensure international peace and security and, that whenever they have to be imposed, they should be carefully devised and properly implemented;

2. *Stresses* that the principle of international solidarity must apply both when implementing sanctions and in minimising their humanitarian repercussions and economic impact on third countries;

3. In order to make the United Nations sanctions more effective and just and to ensure that they are universally accepted and applied, *makes* the following recommendations, in particular:

(a) The establishment of economic sanctions by the Security Council must be based on a clear concept of all the resources at the Council's disposal to get a recalcitrant State to respect its resolutions, and sanctions should not be an easy answer adopted instead of other measures which would be more appropriate under the circumstances but require a greater effort by the international community;

(b) The design of the sanctions themselves must be considerably improved:

- Objectives must be clearly defined and realistic, which implies that objective criteria for the partial or full lifting of sanctions must be stipulated at the outset;

- The activities subject to restrictions must also be defined as precisely as possible, in order to avoid any ambiguity as to the scope of sanctions and thus facilitate their application, particularly when arms embargoes or financial restrictions are involved;

- Comprehensive economic sanctions are to be avoided as far as possible because they inflict suffering on too many innocent persons; the preferred solution is targeted sanctions which directly affect the political leaders of the country in question; such approaches are particularly suited to financial sanctions (e.g. freezing bank accounts abroad), travel restrictions and arms embargoes;

- Regardless of the type of sanctions, the Security Council must assess the undesired impact of the sanctions it intends to impose, evaluating both their humanitarian impact on the population of the country concerned and their economic impact on other countries, particularly neighbouring ones;

- Provision should be made from the start for humanitarian exceptions in order to protect the most vulnerable groups in the country concerned;

- A mechanism should be established to compensate third countries for the losses suffered;

- Sanctions must be imposed for a given duration, in order to guarantee that their prolonged application is supported by the same majority in the Security Council as the initial decision required for their introduction;

(c) Once introduced, the sanctions must be closely monitored by the Security Council, which requires considerable strengthening of the UN Secretariat's sanctions management capacity; such monitoring must cover three aspects:

- The achievement of the sanctions' objectives, i.e., the extent to which the country concerned complies with the relevant Security Council resolutions;

- The application of sanctions by the UN member States required to apply them;

- The development of undesired consequences of sanctions for the population of the country concerned and for third party countries;

(d) The Security Council must take into consideration the results of the monitoring of sanctions; more particularly it must be prepared to adapt if need be the sanction regime initially adopted (depending in particular on the behaviour of the country concerned) and to take the necessary accompanying measures (particularly to offset undesired effects); recorded violations of sanctions, particularly arms embargoes, must be made public and those responsible identified, whether States or other entities;

4. *Calls on* the Security Council to lift the United Nations sanctions of a global economic nature, including those imposed on Iraq, and to reassess all other sanction regimes currently in force in the light of the principles set above;

5. *Urges* all States to comply with the sanctions imposed by the United Nations and to adopt the necessary legislation in order to penalise violations of sanctions, and of arms embargoes in particular;

6. *Invites* regional and sub-regional organisations to contribute to the implementation of sanctions imposed by the United Nations, by seeking harmonised application of sanctions by their member States, by cooperating with the sanctions committees of the Security Council in monitoring the application of sanctions by these States, or by other means;

7. *Calls on* States to exercise the utmost circumspection when using economic sanctions within the framework of their foreign policy, to remain attentive to the humanitarian repercussions of such measures, which may be enormous, as can be seen from the case of Burundi, and to refrain in any event from actions which are contrary to the will of the international community, as expressed by the United Nations General Assembly or Security Council;

8. *Categorically opposes* the adoption, by a State (or group of States), of laws or other measures with extraterritorial effect which are aimed at obliging third party States or their nationals to apply economic sanctions adopted by it, as occurred in the case of Cuba;

9. *Demands* that medicines and foodstuffs be systematically excluded from any multilateral or unilateral sanctions imposed on any country;

10. *Urges* States to envisage the elaboration, within the framework of the United Nations, of an instrument of international law codifying the humanitarian standards to be respected when economic sanctions are introduced, whether by the United Nations or by States, and providing for possibilities of appeal to a juridical body;

11. *Calls on* parliaments and parliamentarians to exercise fully their legislative function and their right of oversight vis-à-vis their governments with regard to questions relating to economic sanctions.

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Financing of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

Annual budget performance report of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 for the year ended 31 December 1999

Report of the Secretary-General

Summary

This is the fifth annual budget performance report of the International Criminal Tribunal for Rwanda for the year ended 31 December 1999.

An amount totalling $68,531,900 net ($75,260,600 gross) was appropriated for 1999 by the General Assembly in its resolution 52/213 of 18 December 1998. During 1999, expenditures amounted to $64,156,600 net ($70,111,600 gross), resulting in an unencumbered balance of $4,375,300 net ($5,149,000 gross).

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I. Introduction

1. The budget performance report for the International Criminal Tribunal for Rwanda for the year 1999 is submitted in accordance with General Assembly resolution 49/251 of 20 July 1995. The realized workload statistics for 1999 are provided in annex I in accordance with General Assembly resolution 52/218 of 22 December 1997.

II. Performance report for 1999

Overall appropriation and expenditure

(Thousands of United States dollars)

Object of expenditure	*Appropriation (1)*	*Expenditure (2)*	*Variance (3)=(1)-(2)*
Posts (net of staff assessment)	47 449.8	43 917.8	3 532.0
Other staff costs	1 800.0	2 237.0	(437.0)
Salaries and allowances of judges (including common costs)	1 655.3	1 756.8	(101.5)
Consultants and experts	148.0	428.5	(280.5)
Travel	1 607.1	1 681.2	(74.1)
Contractual services	6 328.8	5 105.0	1 223.8
General operating expenses	4 560.3	3 337.9	1 222.4
Hospitality	4.0	11.0	(7.0)
Supplies and materials	1 300.0	1 484.9	(184.9)
Alterations to premises	1 023.6	550.7	472.9
Furniture and equipment	2 515.0	3 555.7	(1 040.7)
Grants and contributions	140.0	90.1	49.9
Staff assessment	6 728.7	5 955.0	773.7
Total (gross)	**75 260.6**	**70 111.6**	**5 149.0**
Income from staff assessment	6 728.7	5 955.0	773.7
Total (net)	**68 531.9**	**64 156.6**	**4 375.3**

Budget performance

2. As shown in the table above, during 1999 expenditures of the Tribunal totalled $64,156,600 net ($70,111,600 gross), resulting in an unencumbered balance of $4,375,300 net ($5,149,000 gross). This unencumbered balance consists of reduced requirements of $3,525,600 net ($3,994,300 gross) under the Registry and $918,400 net ($1,223,400 gross) under the Office of the Prosecutor, offset by an over-expenditure of $68,700 under the Chambers. Significant variances between the 1999 appropriations and actual expenditures are explained below.

Posts (decrease: $3,532,000)

3. The decrease under posts reflects the net effect of reduced requirements of $5,556,800 under salaries as a result of the higher than anticipated vacancy rates experienced by the Tribunal during the year under review, offset by increases under common staff costs ($2,024,800). It may be recalled that at the time of the preparation of the 1999 budget proposals, vacancy rates of 8 per cent for the Professional category and above and 5 per cent for General Service and others were used for the continuing posts, while 60 per cent for the Professional category and 50 per cent for General Service were used for the new posts. With these projected vacancy rates, a monthly average of 64 posts in the Professional category and 75 posts in the General Service category would remain vacant during the year. The actual monthly average number of vacant posts was higher: 105 for the Professional category and above and 96 for General Service and others, resulting in savings under salaries. The increase in common staff costs ($2,024,800), on the other hand, is attributable primarily to reclassification of the hardship level of Arusha by the International Civil Service Commission from duty station B to the duty station C in January 1999. With the reclassification of duty station, entitlements of international staff were based on the 12-month cycle instead of a 24-month cycle, resulting in higher expenditure under common staff costs, namely, annual home leave, family visit travel and additional shipments applicable to the duty station. When the 1999 budget proposals were being prepared, the reclassification of Arusha as duty station C was not envisaged and therefore no corresponding provision had been made in the budget proposals.

Other staff costs (increase: $437,000)

4. The increase of $437,000 under other staff costs relates to the recorded over-expenditure under general temporary assistance ($93,100) and overtime ($343,900). The additional requirement under general temporary assistance relates to the staff costs associated with provision of support to the Recruitment Task Force, for which no provision was made in the 1999 budget.

5. The additional requirement of $343,900 under overtime resulted from a substantial amount of overtime for both international and local support staff members who were required to work extra hours. Overtime was required in particular for security officers and drivers, who were often required to work extended hours to provide the necessary protection and support services to the judges, especially during lengthy trial proceedings. In addition, staff in the Court Management Section were required to work additional hours in order to provide the clerical support needed by the defence counsel and the prosecution lawyers during trial proceedings. Because of the high vacancy rate, especially during the first half of the year, staff members in various administrative support sections were also required to work beyond normal working hours, particularly in the personnel, finance and travel sections, owing to the increased recruitment drive, as well as administrative and financial actions emanating from the reclassification of the Arusha duty station from B to C. Further, staff were needed to operate the communications equipment during long court sessions extending beyond regular working hours, especially during the plenary session.

Salaries and allowances of judges (including common costs) (increase: $101,500)

6. The increase of $101,500 under salaries and allowances of judges is attributable to the increased requirement arising from the extension of the term of office of one of the judges, from 24 May 1999 to 31 January 2000, in order to allow two cases to be completed, as well as to the travel on appointment, shipments and installation of the three new judges, who joined the Tribunal in 1999 instead of in 1998.

Consultants and experts (increase: $280,500)

7. The increased requirement of $280,500 under consultants and experts reflects the net effect of the additional financial requirement ($359,400) to finance the expert group established pursuant to General Assembly resolutions 53/212 and 53/213 of 18 December 1998, for which no provision had been made in the 1999 budget proposals, offset by savings of $78,900 resulting from a lower than anticipated number of expert witnesses engaged by the Prosecutor during the year. Only one expert witness was utilized by the Prosecutor compared to the five envisaged.

Travel (increase: $74,100)

8. The increase under travel reflects the net effect of the increased requirements of the Office of the Prosecutor ($148,600), offset by savings of $32,800 and $41,700 under the Chambers and the Registry respectively, as described below:

(a) The additional requirements under the Office of the Prosecutor relate primarily to a higher number of trips made by investigative teams as well as by the Prosecutor and her legal advisers and security escorts. The Prosecutor was required to travel to Arusha and Kigali on numerous occasions to appear before Trial Chambers on matters involving various cases and in connection with the aftermath of the decision of the Appeals Chambers regarding the release of an indictee. Additional travel of trial attorneys and legal advisers was also required to visit crime and massacre sites in Rwanda and to consolidate evidentiary documents required for the trial cases. In addition, extended missions had to be undertaken to the United States of America, Europe, and West Africa to interview witnesses and to confirm statements and, in one case, to carry out a prolonged and sensitive investigation in Europe;

(b) The savings under the Registry represents the net result of under-expenditure relating to the travel of witnesses resulting from the fewer number of cases heard and fewer witnesses appearing before the court, offset by an increase under the travel of the staff of the Registry. The travel of the Registry staff relates to the increased requirements of missions by legal advisers to solicit cooperation and assistance of Member States for enforcement of sentences and to local travel of administrative support staff to Nairobi for procurement purposes and for international flight connections for staff members on official travel. In addition, legal and security officers were required to travel to various countries to take custody of and to transfer the indicted individuals.

Contractual services (decrease: $1,223,800)

9. The decrease under contractual services is due to decreased requirements of $1,294,300 for defence counsel and defence expert witnesses, $88,600 for training, $64,900 for medical consultants, $47,800 for auto insurance and vehicle repairs and $36,800 for laundry services. The reductions resulted from the following:

(a) Pending the ruling by the Appeals Chamber on motions involving jurisdiction and the amendment of indictments and the significance of this ruling on future cases, defence teams undertook fewer trips to Arusha than anticipated. In addition, only three of the six defence expert witnesses who were expected to claim payment of a fee for their participation actually claimed payment of a fee;

(b) Fewer cases of serious illness were experienced by the detainees during the year, resulting in a decrease in treatment costs. Similarly, fewer cases of accidents requiring major vehicle repairs were experienced during the year, incurring savings. Furthermore, savings were realized from the decrease in expenditure for laundry and cleaning services, as the detainees washed most of their clothes themselves;

(c) Some of the training programmes proposed for 1999 were cancelled because of unavailability of suitable resource persons.

10. The above reductions were offset by increased requirements for: (a) external printing ($10,000), primarily for the printing of 6,000 brochures and leaflets; (b) contractual security relating to construction work in the United Nations Detention Facility ($157,900); and (c) services of individual contractors to deal with Year-2000-related matters and the Tribunals' outreach programmes ($140,700).

General operating expenses (decrease: $1,222,400)

11. The reduction under general operating expenses stems from the under-expenditures of $118,800 under rental and maintenance of premises, $157,200 under utilities, $590,400 under communications and $9,500 under miscellaneous services. The savings under rentals relate to the withholding of rental payments since, because of water leakage, several office rooms were not occupied by the Tribunal. In addition, the leasing of land for the vehicle workshop/supply and spare parts store and the rental of one safe house in Kigali were postponed. The decrease in the requirement under utilities resulted from fewer electrical outages and corresponding decreases in the use of and fuel for generators. Moreover, owing to the operational difficulties posed by constant movement and relocation of informants, seven major investigations were delayed, resulting in additional savings in operational expenses of tracking teams of $346,500 under the Office of the Prosecutor.

12. The decreased requirement under communications relates to decreased use of the INMARSAT communications system by members of the tracking team and Security Services Section as a result of the delayed commencement of major investigative and tracking operations in 1999. In addition, the rural up-links for judges' residences envisaged for 1999 was postponed because of the limitations owing to the physical locations of the judges' homes. Furthermore, owing to the delay experienced in the installation of Lexis/Nexis in the Library and Reference Section, the recorded expenditure was less than anticipated.

13. The reduction of $9,500 under miscellaneous services is attributable primarily to lower costs for shipment of goods and carrier insurance to Arusha in 1999, a lesser requirement for the protection of witnesses since fewer witnesses (52 out of projected 180) were called to appear as a result of the decreased court proceedings and the decreased requirement for missions to transfer detainees since United Nations aircraft were used whenever possible.

Hospitality (increase: $7,000)

14. An increase of $7,000 under hospitality is attributable to expenditures relating to the unexpected increase in the number of visits by delegations from Member States to the Tribunal.

Supplies and materials (increase: $184,900)

15. The increase under supplies and materials resulted from the additional requirement for stationery and office supplies, including data-processing consumables, as a result of a considerable increase in staff; spare parts and maintenance of office and other equipment, especially photocopiers, owing to their extensive use, and air conditioners in the courtrooms and conference rooms; and the increased cost of new uniforms for the security staff. In addition, the cost for the photographic reproduction of evidentiary materials increased the expenditure under this budget line. The additional seven detainees and the increased cost for food items during the period under review account for the higher requirement under this category of expenditure. Additional requirements also resulted from the increased market price of petroleum products, such as petrol, diesel, oil and lubricants, purchased to operate the Tribunal's fleet of vehicles during the year in review.

Construction, alteration and improvements to premises (decrease: $472,900)

16. Provisions were included in the 1999 budget of the Tribunal for a number of construction projects and alterations. The savings of $472,900 resulted from the postponement of a number of those projects, including the construction of a transport workshop, store and parking area, the expansion of the United Nations Detention Facility and the erection of security fence for Amahoro Compound in Kigali. In view of the critical importance of year-2000-related issues for which no provision was made in the 1999 budget, the Tribunal's programme of work and the use of approved resources had to be prioritized. Accordingly, expenditure under this heading was limited to routine maintenance, certain alterations in the Arusha International Conference Centre and the United Nations Detention Facility, and the procurement and erection of prefabricated units and ablution units in Kigali.

Furniture and equipment (increase: $1,040,700)

17. The over-expenditures recorded under furniture and equipment relate primarily to the increased requirements for the purchase of vehicles, vehicle spare parts, security equipment and other equipment ($815,400); the purchase of data-processing and automation equipment ($240,200); and the purchase of additional furniture and security supplies ($26,000), offset by savings under communications equipment of $40,900.

18. It may be recalled that owing to a substantial delay in the procurement process, the acquisition of 30 vehicles against the 1998 appropriation was not completed in

1998. As a result, those vehicles were purchased using the 1999 appropriations. In addition, expenditures were incurred for the purchase of vehicle spare parts, for which no appropriation was available in the 1999 budget, which gave rise to the additional expenditure.

19. In line with the assessment of the Tribunal's security requirements by Headquarters, it was deemed necessary to heighten the level of security at the Tribunal. To that end, three X-ray machines in Arusha and one in Kigali were purchased. The purchase of these machines was not anticipated, and therefore no provision was made in the 1999 budget. In addition, other equipment, such as the fitness equipment for detainees, ovens and refrigerators for the safe houses and heavy-duty cleaning equipment for the Tribunal's premises were required, which resulted in additional expenditure under this heading.

Grants and contributions (decrease: $49,900)

20. The savings of $49,900 under contributions to joint administrative activities reflect the Tribunal's share of the actual expenditure under jointly funded activities for the United Nations clinic and the field security office at Kigali.

Staff assessment (decrease: $773,700)

21. The reduced requirements under staff assessment reflect the vacancy rates reported in paragraph 3 above. These are matched by a corresponding reduction of the same amount under income from staff assessment.

III. Action to be taken by the General Assembly

22. The General Assembly is requested to take note of the present report.

Annex I

Performance indicators for 1999

	1999 projection	*1999 actual*
Chambers		
Trials	6	4
Appeals (full and interlocutory)	4	34 (4 full, 29 interlocutory and 1 special)
Court days	345	115
Plenary days	5	5
Office of the Prosecutor		
Investigations Division (Kigali)		
Investigations	90	120
Public indictments (cumulative since 1995)	36	48
Missions	500	624
Witnesses interviewed	650	700
Statements obtained	600	600
Arrests	12	8
Prosecution Division		
Motions/applications/responses	150	150
Trials under preparation	9	17
Trials being prosecuted	6	4
Trials completed	4	3
Verdicts	4	4
Appeals	4	5
Guilty pleas	-	1
Evidence and Information Support Unit		
Documents indexed	10 000	15 000
Registry		
Press and Information Section		
Media representatives on distribution list	1 500	1 100
Press releases issued	150	106
Phone queries/document requests — press	1 300	1 300
Phone queries/document requests — public	1 000	1 500
Visits arranged by universities and other groups	100	122
News bulletins	4	0
Accredited journalists	400	327
Photographic exhibition	10	3
Workshops/seminars	5	2

	1999 projection	1999 actual
Court Management Services Section		
Court sessions	345	210
Court transcript pages	70 000	36 200
Documents processed	3 500	3 050
Witness and Victim Support Section		
Witnesses	180	48
Witness support days	2 300	643
Relocation requests	32	8
Witnesses with additional protective measures	83	16
Witnesses with additional support needs:		
Medical and physiological	120	31
Clothing and other	160	43
Safe houses	4	4
Lawyers and Detention Facility Management Section		
Number of legal counsel	60	52
Additional defence team members	55	58
Highest number of detainees	54	37
General Legal Services and Chambers Support Section		
Final judgement (English/French)	4	4
Judicial decisions (English/French)	130	111
Warrants of arrest (English/French)	15	37
Confirmation of indictments (English/French)	15	7
Rule 40 bis decisions (English/French)	-	3
Legal briefs and memos	40	803
Preparation of plenary sessions	2	1
Annual reports	1	1
Yearbook	2	0
Division of Administration		
Personnel Section		
Staffing table	830	641
Applications received/screened	6 000	10 000
Special service contract	80	112
Offers of appointment	100	226
Pre-recruitment tests	75	196
Training courses	55	119

	1999 projection	*1999 actual*
Finance Section		
Payroll (regular, extrabudgetary and projects)		
Local staff	360	283
International staff (local portion of salary)	330	405
Monthly financial statements	12	12
Claims (travel, etc)	$5.0 million	$5.4 million
Other disbursements	$15.0 million	$21.9 million
Appropriation level	$73.0 million	$75.3 million
Extrabudgetary expenditure level	$4.0 million	$2.8 million
General Services Section		
Buildings management		
Work orders completed	175	180
Major maintenance projects	10	11
Registry fax/pouch/mail		
Incoming	34 000	41 800
Outgoing	18 000	26 806
Reproduction requests (pages)	2 000 000	1 896 789
Visa applications/residence permits	600	566
Air operations		
Number of flights	350	280
Number of passengers	2 000	1 151
Number of pieces: pouch, cargo, luggage	1 800	1 156
Travel		
Authorizations, PT 8s raised	1 100	939
Invoices	1 000	775
Procurement and Contracts Unit		
Purchase orders raised	450	675
Contracts signed	15	69
Local Contracts Committee cases	35	36
Headquarters Committee on Contracts cases	6	4
Communications and Information Technology/Management Information Systems Unit		
Local area network supported	4	5
Local area network connections	500	750
Help-desk calls	4 550	24 000
Help-desk calls/support person	3 250	675
Help-desk calls — computer on-site	1 350	1 350
Audio/video court sessions supported	750	259
Communications PABX extensions	800	1 040
Communications support new/move extensions	300	456

	1999 projection	1999 actual
Communications trouble shooting	900	979
Electrical repair and installation	400	0
Communication support generator	600	612
Communication help desk	1 600	3 120
Outgoing faxes (pages)	90 000	77 440
Incoming faxes (pages)	20 000	15 852
Switchboard incoming calls	40 000	120 720
Transport Unit		
Number of fuel coupons issued	13 600	11 575
Number of work orders prepared	2 500	3 429
Trip tickets	18 000	18 801
Number of spare parts issued	2 100	2 942
Language and Conference Services Section		
Translation pages	22 000	31 200
Court interpreters days (Arusha)	345	210
Field interpreters days (Kigali)	3 000	1 156
Security Services Section		
Average number of patrols and posts covered daily	36	38
Staff identification cards issued	1 500	2 195
Visitors passes issued	1 500	535
Officers covering court rooms and accused	15	15
Officers covering the Tribunals headquarters	68	59
Officers at United Nations Detention Facility	19	16

Annex II

Monthly incumbency report, 1999

A. Office of the Prosecutor

	Authorized staffing 1998	Staff on board end 1998	Authorized staffing 1999	Actual staff on board, 1999												
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Monthly average
Under-Secretary-General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Assistant Secretary-General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D-2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
D-1	2	-	2	-	-	-	1	2	2	2	2	2	2	2	2	
P-5	9	7	12	6	9	8	9	8	8	8	8	8	9	9	10	
P-4	29	24	31	22	23	25	24	22	22	24	26	27	27	27	27	
P-3	40	28	63	28	32	38	38	39	39	40	41	44	49	50	51	
P-2	35	28	48	26	25	19	19	18	19	21	27	31	33	30	31	
Subtotal (occupied)	**116**	**88**	**157**	**83**	**90**	**91**	**92**	**90**	**91**	**96**	**105**	**113**	**121**	**119**	**122**	**101**
Vacant posts				74	67	66	65	67	66	61	52	44	36	38	35	56
Vacancy rate		24.1%		47.1%	42.7%	42.0%	41.4%	42.7%	42.0%	38.9%	33.1%	28.0%	22.9%	24.2%	22.3%	35.6%
General Service/Principal level	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General Service/Other level	20	16	33	15	15	15	15	16	15	16	17	17	18	20	22	
Field Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Security Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Local level	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal (occupied)	**21**	**16**	**33**	**15**	**15**	**15**	**15**	**16**	**15**	**16**	**17**	**17**	**18**	**20**	**22**	**17**
Vacant posts				18	18	18	18	17	18	17	16	16	15	13	11	16
Vacancy rate		27.8%		54.5%	54.5%	54.5%	54.5%	51.5%	54.5%	51.5%	48.5%	48.5%	45.5%	39.4%	33.3%	49.2%
Total (occupied)	**137**	**104**	**190**	**98**	**105**	**106**	**107**	**106**	**106**	**112**	**122**	**130**	**139**	**139**	**144**	**118**
Vacant posts				92	85	84	83	84	84	78	68	60	51	51	46	72
Vacancy rate		24.1%		48.5%	44.7%	44.2%	43.7%	44.2%	44.2%	41.1%	35.8%	31.6%	26.8%	26.8%	24.2%	38.0%

B. Registry

	Authorized staffing 1998	*Staff on board end 1998*	*Authorized staffing 1999*	*Actual staff on board 1999*												*Months average*
				Jan	*Feb*	*Mar*	*Apr*	*May*	*June*	*July*	*Aug*	*Sept*	*Oct*	*Nov*	*Dec*	
Under-Secretary-General	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Assistant Secretary-General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D-2	2	1	2	2	2	2	2	2	2	2	2	1	1	1	1	
D-1	8	6	9	7	7	8	9	9	9	9	9	8	8	8	8	
P-5	20	19	30	20	22	22	22	22	22	23	24	26	26	26	25	
P-4	43	33	64	37	36	38	40	41	41	41	44	44	45	45	45	
P-3	41	22	44	19	20	23	24	25	25	25	28	28	30	30	31	
P-2	**115**	**82**	**150**	**86**	**88**	**94**	**98**	**100**	**100**	**101**	**108**	**108**	**111**	**111**	**111**	**101**
Subtotal (occupied)				64	62	56	52	50	50	49	42	42	39	39	39	49
Vacant posts		28.7%		42.7%	41.3%	37.3%	34.7%	33.3%	33.3%	32.7%	28.0%	28.0%	26.0%	26.0%	26.0%	32%
Vacancy rate																
General Service/Principal level	6	4	6	4	4	4	5	5	5	4	4	4	4	4	4	
General Service/Other level	66	63	100	64	69	72	79	80	85	85	92	84	86	88	88	
Field Service	14	14	20	14	14	14	14	14	15	14	14	15	16	15	15	
Security Service	74	56	82	54	56	56	55	55	54	55	57	59	65	66	67	
Local level	164	151	224	181	182	184	189	190	188	201	196	203	204	203	206	
Subtotal (occupied)	**324**	**288**	**432**	**317**	**325**	**330**	**342**	**344**	**347**	**359**	**363**	**365**	**375**	**376**	**380**	**352**
Vacant posts		11.1%		115	107	102	90	88	85	73	69	67	57	56	52	80
Vacancy rate				26.6%	24.8%	23.6%	20.8%	20.4%	19.7%	16.9%	16.0%	15.5%	13.2%	13.0%	12.0%	19%
Total (occupied)	**439**	**370**	**582**	**403**	**413**	**424**	**440**	**444**	**447**	**460**	**471**	**473**	**486**	**487**	**491**	**453**
Vacant posts		15.7%		179	169	158	142	138	135	122	111	109	96	95	91	129
Vacancy rate				30.8%	29.0%	27.1%	24.4%	23.7%	23.2%	21.0%	19.1%	18.7%	16.5%	16.3%	15.6%	22%

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	Authorized staffing 1998	Staff on board end 1998	Authorized staffing 1999	Actual staff on board 1999												Monthly average
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
ary-General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
retary-General	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	4	1	4	2	2	2	3	4	4	4	4	3	3	3	3	
	17	13	21	13	16	16	18	17	17	17	17	16	17	17	18	
	49	43	61	42	45	47	46	44	44	47	50	53	53	53	52	
	83	61	127	65	68	76	78	80	80	81	85	88	94	95	96	
	76	50	92	45	45	42	43	43	44	46	55	59	63	60	62	
cupied)	**231**	**170**	**307**	**169**	**178**	**185**	**190**	**190**	**191**	**197**	**213**	**221**	**232**	**230**	**233**	**202**
				138	129	122	117	117	116	110	94	86	75	77	74	105
		26.4%		45.0%	42.0%	39.7%	38.1%	38.1%	37.8%	35.8%	30.6%	28.0%	24.4%	25.1%	24.1%	34.1%
ce/Principal level	7	4	6	4	4	4	5	5	5	4	4	4	4	4	4	
ce/Other level	92	79	133	79	84	87	94	96	100	101	109	101	104	108	110	
	14	14	20	14	14	14	14	14	15	14	14	15	16	15	15	
ice	74	56	82	54	56	56	55	55	54	55	57	59	65	66	67	
	164	151	224	181	182	184	189	190	188	201	196	203	204	203	206	
(occupied)	**351**	**304**	**465**	**332**	**340**	**345**	**357**	**360**	**362**	**375**	**380**	**382**	**393**	**396**	**402**	**369**
				133	125	120	108	105	103	90	85	83	72	69	63	96
		13.4%		28.6%	26.9%	25.8%	23.2%	22.6%	22.2%	19.4%	18.3%	17.8%	15.5%	14.8%	13.5%	20.7%
ccupied)	**582**	**474**	**772**	**501**	**518**	**530**	**547**	**550**	**553**	**572**	**593**	**603**	**625**	**626**	**635**	**571**
				271	254	242	225	222	219	200	179	169	147	146	137	201
		18.6%		35.1%	32.9%	31.3%	29.1%	28.8%	28.4%	25.9%	23.2%	21.9%	19.0%	18.9%	17.7%	26.0%